FEDERAL REGISTER

VOLUME 25 NUMBER 25

Washington, Friday, February 5, 1960

Title 3—THE PRESIDENT

Proclamation 3332

NATIONAL JUNIOR ACHIEVEMENT WEEK, 1960

By the President of the United States of America

A Proclamation

WHEREAS the founders of our Nation were men of initiative, self-confidence, and determination; and

WHEREAS these traits are developed in our youth through actual participation in the establishment and operation of various worthy enterprises with the help of public-spirited citizens; and

WHEREAS the experience gained by our youth in participating in small-scale business enterprises can be of great value in stimulating their spirit of leadership and civic responsibility; and

WHEREAS thousands of American businessmen voluntarily give of their time, their counsel, and their experience for the benefit of these young businessmen, called Junior Achievers; and

WHEREAS the Congress, by Senate Concurrent Resolution 81, agreed to January 28, 1960, has requested the President to issue a proclamation designating the week beginning January 31, 1960, as National Junior Achievement Week:

NOW, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, do hereby designate the week of January 31 through February 6, 1960, as National Junior Achievement Week; and I urge all our citizens to observe the week by honoring Junior Achievers and their volunteer adult advisers through appropriate ceremonies.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this thirtieth day of January in the year of our Lord nineteen hundred and [SEAL] sixty, and of the Independence of the United States of America the one hundred and eighty-fourth.

DWIGHT D. EISENHOWER

By the President:

CHRISTIAN A. HERTER,
Secretary of State.

[F.R. Doc. 60-1216; Filed, Feb. 4, 1960; 9:39 a.m.]

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

Department of the Navy

Effective upon publication in the FEDERAL REGISTER, subparagraph (3) of § 6.106(a) is revoked.

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] MARY V. WENZEL,
Executive Assistant.

[F.R. Doc. 60-1157; Filed, Feb. 4, 1960; 8:45 a.m.]

Title 6—AGRICULTURAL CREDIT

Chapter IV—Commodity Stabilization Service and Commodity Credit Corporation, Department of Agriculture

PART 477—PRICE SUPPORT LIMITATION

Subpart—Regulations Relating to the $50,000 Limitation of Nonrecourse Price Support for the 1960 Crop of Price Supported Field Crops in Surplus Supply

Sec.

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THE PRESIDENT

EXECUTIVE AGENCIES

FEDERAL REGISTER

REpublic 7-7500 Extension 3261

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CFR SUPPLEMENTS

(As of January 1, 1960)

The following books are now available:

Title 36 (Revised) ($3.00)

Title 46, Parts 146–149 (Revised) ($6.00)

Order from Superintendent of Documents, Government Printing Office, Washington 25, D.C.

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CODIFICATION GUIDE

A numerical list of the parts of the Code of Federal Regulations affected by documents published in this issue. Proposed rules, as opposed to final actions, are identified as such.

A Cumulative Codification Guide covering the current month appears at the end of each issue beginning with the second issue of the month.

Sec.
477.113 Withdrawal of approval of application for exemption.
477.114 Right of appeal.

AUTHORITY: §§ 477.101 to 477.114 issued under 73 Stat. 178. Interpret or apply secs. 4 and 5, 62 Stat. 1070, as amended; sec. 405, 63 Stat. 1054, as amended; 15 U.S.C. b and c, 7 U.S.C. 1425.

§ 477.101 Basis and Purpose.

(a) The Department of Agriculture and Farm Credit Administration Appropriation Act of 1960, Public Law 86–80, approved July 8, 1959, 73 Stat. 178, provides that no part of the authorization for Commodity Credit Corporation for fiscal year 1960 shall be used to formulate or carry out a price support program for 1960 under which a total amount of

price support in excess of $50,000 would be extended by Commodity Credit Corporation to any person on the 1960 production of any agricultural commodity declared by the Secretary to be in surplus supply, unless (1) such person shall reduce his production of such commodity from that which such person produced the preceding year, in such percentage, not to exceed 20 per centum, as the Secretary may determine to be essential to bring production in line within a reasonable period of time with that necessary to provide an adequate supply to meet domestic and foreign demands, plus adequate reserves, or (2) such person shall agree to repay all amounts advanced in excess of $50,000 for such agricultural commodity within twelve months from the date of the advance of such funds or at such later date as the Secretary may determine. (This provision is hereinafter sometimes referred to as "the $50,000 limitation" or "the limitation").

(b) The provisions of §§ 477.101 to 477.114, both inclusive, contain general regulations to carry out Public Law 86–80 with respect to price support in excess of $50,000, on field crops, and in particular set forth the provisions governing whether certain individuals or legal entities are to be treated as one person or as separate persons for purposes of the limitation and the provisions governing the exemption by which a person, otherwise qualified for price support, may receive nonrecourse price support in excess of $50,000 on each price-supported field crop[1] declared by the Secretary to be in surplus supply through reduction of his production of such commodity. However, nothing contained herein shall be construed to entitle any person to price support.

§ 477.102 Applicability.

The provisions of §§ 477.101 to 477.114 apply severally to the 1960 crops of barley, grain sorghums, wheat, rice, peanuts, corn, rye, upland cotton, extra long staple cotton, and the following kinds of tobacco: flue-cured types 11–14; fire cured, types 22–23; fire-cured, type 21; Burley, type 31; Maryland, type 32, dark air-cured, types 35–36; Virginia sun-cured, type 37; cigar filler and cigar binder, types 42–44 and 53–55; cigar filler, type 46; and cigar binder, types 51–52.

§ 477.103 Definitions.

As used in §§ 477.101 to 477.114 and in all instructions, forms, and documents issued and published in connection therewith, the words and phrases defined in this section shall have the meanings herein assigned to them unless the text or subject matter otherwise requires.

(a) "Act" means the Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.

(b) The terms, words, or phrases "allotment," "county," "cropland," "farm," "farm serial number," and "reconstitution" shall have the same meanings as the meanings assigned to them in the "Farm Constitution and Allotment Record Regulations," (7 CFR 719.2) as now published or as may be hereafter amended, it being the intent and purpose that the foregoing terms, words, and phrases shall at all times have the same meanings in this part and in 7 CFR Part 719.

(c) The terms, words, or phrases "allotment crop," "county committee," "State committee," "State administrative officer," "county office manager," "Department," and "Secretary" shall have the same meanings as the meanings assigned to them in "Regulations Governing Determination of Acreage and Performance for Farm Marketing Quotas, Acreage Allotments, and Soil Bank Programs" (7 CFR 718.2) as now published or as may be hereafter amended, it being the intent and purpose that the foregoing terms, words, and phrases shall at all times have the same meanings in this part and in 7 CFR Part 718.

(d) The term "person" shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity or a State, political subdivision of a State, or any agency thereof.

(e) "Acreage devoted to an allotment crop for 1959" means the 1959 acreage of the commodity planted for harvest on the farm, as adjusted for compliance purposes where applicable.

(f) "Acreage devoted to an allotment crop for 1960" means the 1960 acreage of the commodity determined for the farm as adjusted (1) for compliance with these regulations or with acreage allotment and marketing quota regulations where applicable, or (2) for acreage destroyed by natural causes prior to harvest. In addition, any released 1960 upland cotton, extra long staple cotton, peanut, and rice allotment in excess of the allotment so released for 1959 shall be deemed to have been devoted to the commodity on the farm in 1960. An applicant's share of such released allotment which is deemed to be planted on the farm in 1960 shall be the same proportion thereof that the applicant's 1959 acreage of the commodity on the farm bore to the total farm acreage of the commodity for 1959.

(g) "Acreage devoted to nonallotment crop for 1959" shall be the 1959 acreage of the commodity which was planted for harvest.

(h) "Acreage devoted to a nonallotment crop for 1960" shall be the 1960 acreage which is planted for harvest on the farm, as adjusted for acreage, if any, destroyed by natural causes prior to harvest or destroyed to meet the requirements for exemption.

(i) The "1960 production" and "1960 crop" mean the crop which would be eligible for price support under the 1960 price support program regulations for such commodity.

(j) The "1960 acreage" means the acreage devoted to the 1960 crop.

(k) The "1959 production" and "1959 crop" mean the crop which was eligible for price support under the 1959 price support program regulations for such commodity.

(l) The "1959 acreage" means the acreage devoted to the 1959 crop.

(m) "Nonrecourse price support" means (1) price support through loans by the CCC under which the producer is not personally liable for any deficiency arising from the sale of the collateral securing such loan, except for fraud in obtaining such price support or for deficiencies in grade, quality or quantity of the commodity stored on the farms or delivered by the producer, for failure properly to care for and preserve the commodity or for failure or refusal to deliver the commodity in accordance with the requirements of the price support program, or (2) price support through purchases by the CCC under which the producer is not personally liable for any loss which the Corporation may sustain upon resale of the agricultural commodity, except for fraud in obtaining such price support.

(n) "Deputy Administrator" means the Deputy Administrator, or the Acting Deputy Administrator, Production Adjustment, Commodity Stabilization Service, United States Department of Agriculture.

§ 477.104 Determination of amounts per person.

For the purpose of applying the $50,000 limitation on the amount of nonrecourse price support which may be received by any person for any one commodity, the following amounts shall be included as price support received by such person:

(a) In the case of any loan to, or purchase from, the producer of the commodity, the amount of the principal of the loan advanced or the amount of the purchase price, whichever is applicable, paid to such producer with respect to the commodity shall be included.

(b) In the case of any loan to, or purchase from, a cooperative marketing organization, or with regard to price support on any agricultural commodity extended by purchases of a product of such commodity from, or by loans on such product to, persons other than the producer of such commodity, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, or other persons, but the amount of price support made available to any person on his 1960 production of a surplus agricultural commodity through such cooperative marketing organization or other person shall be included.

§ 477.105 Determination of when multiple individuals or legal entities constitute one or separate persons.

The rules set forth in this section shall be applied to determine whether certain individuals or legal entities engaged in the production of a commodity as landowners, landlords, tenants or sharecroppers are to be treated as one person or as separate persons, for the purpose of applying the $50,000 limitation and for the purpose of determining the acreage reduction required under § 477.109 for exemption from the limitation.

(a) A partnership shall be considered as one person. An individual member of the partnership may be considered as a separate person to the extent he is en-

[1] Agricultural commodities, other than field crops, which are declared in surplus supply will be the subject of other regulations.

gaged in the production of a crop of the commodity in which the partnership has no interest as landlord, landowner, tenant or sharecropper. Individual members of the partnership, who in a capacity different from that of the partnership, are engaged in the production of a commodity as landlord, landowner, tenant or sharecropper, may be considered as separate persons from the partnership, even though the partnership does have an interest as landlord, landowner, tenant or sharecropper in their production of the commodity, provided all the members of the partnership are not so engaged in the production on the same farm or farms as the partnership.

(b) A corporation shall be considered as one person and an individual stockholder of the corporation may be considered as a separate person to the extent such person is engaged in the production of the crop as a separate producer, except that a corporation in which all or substantially all of the stock (90 percent or more) is owned by an individual, or by an individual and his or her spouse, or by a legal entity, shall not be considered as a separate person from such individual or legal entity.

(c) The formation, revival or reorganization by any person of any corporation, partnership or other legal entity on or after July 8, 1959 (the date of enactment of the limitation), shall not be permited to increase, either directly or indirectly, the amount of nonrecourse price support which such person shall receive over that which such person would have been eligible to receive in the absence of such action, unless it is established to the satisfaction of CCC that such action was not taken for the purpose of evading the limitation.

(d) An estate or trust shall be considered as one person except that an estate or trust which has a sole heir or beneficiary shall not be considered as a separate person from such heir or beneficiary.

(e) A club, society, fraternal or religious organization or any other similar organization shall be considered as one person.

(f) In the case of State institutions, the person to which the limitation shall be applied is the department, bureau, board or other agency having the general management, control, and supervision of the State institution operating the farm, except that if the State institution is itself a corporation, the limitation shall be applied to the corporation. Each political subdivision of the State, such as a county, city, or village, shall be considered as one person.

(g) A wife shall not be considered as a person separate from her husband except to the extent of her interest as a separate producer on a farm or farms owned, in whole or in part, by her as a separate estate, provided, that the husband takes no part in or owns no interest in any portion of the production on such farm or farms. The interest which a wife may hold in a farm with her husband as community property or as joint tenants, tenants in common or tenants by the entirety may not constitute such separate estate. In any event, the total amount of nonrecourse price support received by the wife from her separate estate plus the total amount of nonrecourse price support otherwise received by her, individually, on a farm in which her husband has a part in or owns an interest in a portion of the production shall not exceed $50,000 unless she qualifies for the exemption from the limitation under § 477.109.

(h) Individuals related by blood, marriage or adoption (other than husband and wife) who are engaged in the production of any agricultural commodity on the same farm may be considered as separate persons on such farm only to the extent such individuals operated as separate producers in the 1959 production of the commodity on such farm, unless it is established to the satisfaction of CCC that they are actually engaged in the production of the commodity in 1960 as separate producers. In any event, the total amount of nonrecourse price support received by a member of a family from his production on the same farm with other members of his family plus the total amount of nonrecourse price support otherwise received by him shall not exceed $50,000 unless he qualifies for the exemption from the limitation under § 477.109.

(i) Any transfer (other than by succession upon death) on or after July 8, 1959 (the date of enactment of the limitation) to minor children or from husband to wife or wife to husband shall be presumed to be for the purpose of evading the limitation.

(j) Individuals (except as provided in paragraphs (a) and (g) of this section) having a joint or common interest arising out of their interests in the ownership of the farm as joint tenants or tenants in common shall each be considered as a separate person.

(k) Subject to the other provisions of this section, a person may exercise his or her right, heretofore existing under law, to divide, sell, transfer, rent, or lease his property if such division, sale, transfer, rental arrangement or lease is legally binding as between the parties thereto. No change in operation in 1960 which requires a reconstitution of a farm shall serve to increase the amount of nonrecourse price support over that which the interested persons would have been eligible to receive in the absence of such change, unless an application for reconstitution of such farm, together with supporting data, on Form CSS–155 is filed in the county office on or before June 1, 1960.

(l) Any division, sale, transfer, lease, or other arrangement, which is not legally binding as between the parties thereto shall not be permitted to have the effect of evading the $50,000 limitation. The individuals or legal entities which have claimed the 1960 production of a commodity as a result of such arrangement shall be disregarded to the extent of such production, and such production shall be deemed to belong to the person who adopted the arrangement for the purpose of applying the $50,000 limitation and determining the acreage reduction required for exemption from the limitation. The person who adopted such arrangement and the individuals or legal entities which have received nonrecourse price support as a result of such arrangement shall be liable, jointly and severally, for any liability arising therefrom.

(m) Where two or more individuals or legal entities, who are treated as one person hereunder, receive nonrecourse price support which in the aggregate exceeds the limitation, such individuals or legal entities shall be liable, jointly and severally, for any liability arising therefrom.

(n) Where it is not possible to determine whether certain individuals or legal entities involved in the production of a commodity are to be treated as one person or separate persons, full facts regarding the arrangement under which the commodity is produced should be furnished the Executive Vice President, CCC, or his designee through the State Committee, and the Executive Vice President or his designee shall determine whether the individuals or legal entities involved are to be treated as one person or separate persons.

§ 477.106 Application for exemption.

Any person who, on the basis of a reduction in his production, desires to qualify for an exemption from the $50,000 limitation on the amount of nonrecourse price support which any one person may receive on an agricultural commodity shall file an application for such exemption. Such application shall be filed on Form CCC 112 with the ASC county committee of a county in which one or more of the farms in which he shares in the crop is located. Separate applications shall be filed for each commodity, and only one application may be filed with respect to a commodity. Application forms may be obtained from the office of the State or county committee or from the Deputy Administrator. Applications must be filed before harvest in sufficient time for the 1960 acreage devoted to the commodity in each county to be determined or verified by the county committee of such county, and in no event later than October 1, 1960.

§ 477.107 Service fee.

Each application for exemption shall be accompanied by a service fee which shall be $25.00 plus $5.00 for each farm in excess of one on which the applicant shares in the production of the commodity in 1960. No part of the fee shall be refunded whether the application is approved or disapproved.

§ 477.108 Farm data to be shown on application.

(a) An application must set forth, for each farm in the United States or Puerto Rico in which the applicant shares in the production of the commodity in 1960, and for each farm on which the applicant shared in the 1959 production of the commodity and would have shared in the 1960 production if there were such production of the commodity, (1) the total 1959 and 1960 acreage devoted to the commodity on the farm, (2) both the 1959 acreage and the 1960 acreage of the commodity on the farm in which the applicant shared, (3) his percentage or fractional share in each such acreage,

and (4) his computed 1959 and 1960 acreage of the commodity on the farm based upon his percentage or fractional share in the crop. An application must also set forth, for all other farms on which the applicant shared in the 1959 production of the commodity (i.e., farms sold by the applicant, farms rented to others for 1960 for cash or fixed rent, or farms which the applicant no longer leases from others for 1960), (1) the total 1959 and 1960 acreage devoted to the commodity on the farm, (2) the 1959 acreage of the commodity on the farm in which the applicant shared, (3) his percentage or fractional share in each such acreage, and (4) his computed 1959 acreage of the commodity on the farm based upon his percentage or fractional share in the crop. The data required by this paragraph shall be for each farm as constituted for the 1960 crop.

(b) The applicant's computed acreages as set forth in the application for exemption for allotment crops other than tobacco shall be recorded in whole acres and tenths of acres; tobacco acreages shall be recorded in whole acres and hundredths of acres. For nonallotment crops the acreages shall be recorded in whole acres only. Computations shall be carried two decimal places beyond the required number of decimal places. In rounding, digits of 50 or less beyond the required number of decimal places shall be dropped. If such digits are 51 or more, the last required decimal place shall be increased by "1".

§ 477.109 Acreage reduction required for exemption from limitation.

(a) In order for the applicant to qualify for the exemption, either the conditions specified in subparagraph (1) of this paragraph or the conditions specified in subparagraph (2) of this paragraph must be fulfilled.

(1) The applicant must reduce his 1960 acreage of the commodity not less than 20 percent below his 1959 acreage of the commodity taking into consideration in computing such acreages the following farms: (i) Farm(s) on which the applicant shares in the 1960 production of the commodity, and (ii) farm(s) on which the applicant shared in the 1959 production of the commodity and would have shared in the 1960 production if there were any such production of the commodity. In addition, the total farm acreages of the commodity in 1960 on all farm(s) specified in subdivision (i) and (ii) of this subparagraph must be reduced below the total of the 1959 acreages of the commodity on such farm(s) by an amount not less than the sum of (*a*) 20 percent of the 1959 acreage of the applicant on such farms and (*b*) the acreage reduction on such farms which has been credited to all other producers who have qualified for the exemption, except to the extent it is established to the satisfaction of CCC that despite any failure of the total farm acreages to comply with these requirements such reduction in farm acreages has been made by the applicant and other producers who have qualified for the exemption and their reduction has not been nullified or offset for the reasons specified in paragraph (b) of this section. The requirements of the second sentence of subparagraph (1) shall not apply to rice produced in a "Producer State" as defined in 7 CFR 730.1011(l) of "Rice Acreage Allotment Regulations" (23 F.R. 8528) provided that the acreage reduced by the applicant is not released for reapportionment or planted to the same commodity by other producers on the same farm.

(2) The applicant must reduce his 1960 acreage of the commodity not less than 20 percent below his 1959 acreage of the commodity taking into consideration in computing such acreages the farm(s) specified in subdivisions (i) and (ii) of subparagraph (1) of this paragraph and all other farm(s) on which the applicant shared in the production of the commodity in 1959. In addition, the total farm acreages of the commodity in 1960 and all such farm(s) hereof must be reduced below the total of the 1959 acreages of the commodity on such farm(s) by an amount not less than the sum of (i) 20 percent of the 1959 acreage of the applicant on such farm(s) and (ii) the acreage reduction on such farm(s) which has been credited to all other producers who have qualified for the exemption, except to the extent it is established to the satisfaction of CCC that despite any failure of the total farm acreage to comply with these requirements such reduction in farm acreage has been made by the applicant and other producers who have qualified for the exemption and their reduction has not been nullified or offset for the reasons specified in paragraph (b) of this section.

(b) Acreage representing the applicant's reduction in production of a commodity must remain out of the production of such commodity in 1960. Any such reduction in the applicant's acreage brought about by leasing, surrendering, or transferring acreage to another person who utilizes such acreage in the production of the same commodity is nullified by such offsetting production. Similarly, the voluntary surrender or release of a part of the 1960 acreage allotment in excess, if any, of the amount of the 1959 acreage allotment surrendered or released to the county committee shall not be considered as a reduction in acreage but shall be included as planted acreage of the commodity. The applicant shall have the burden of proof of establishing that his acreage reduction (as shown on his application) has not been nullified by the offsetting production of others.

(c) A person who had no 1959 acreage planted for harvest may not qualify for nonrecourse price support in excess of $50,000 on his 1960 production, since any production will constitute an increase, rather than a reduction. For the purpose of this section receivers of an insolvent debtor's estate, executors and administrators of a deceased person's estate, guardians of an estate of a ward or an incompetent person, and trustees of a trust estate will be considered to represent the insolvent debtor, the deceased person, the ward or incompetent, and the beneficiaries of a trust, respectively, and the production of the receivers, executors and administrators, guardians, and trustees shall be considered to be the production of the persons they represent. Heirs of a deceased person's estate, trustees of a trust estate, and trustees in bankruptcy of an insolvent debtor's estate who have 1960 production of a commodity shall not be considered as having had any interest in the 1959 production, if any, of the deceased person or the executor or administrator of the deceased person, of the settlor of the trust estate, or of the insolvent debtor, respectively.

(d) No part of the 1959 production of any legal entity in which two or more persons are members or have an ownership interest, such as a partnership or corporation, may be considered as having been a part of the 1959 production of any such person who was a member of or had an ownership interest in such legal entity, and the carrying out in 1960 by any such person of all or any part of the prior farming operations of such legal entity shall have the effect of increasing such person's 1960 production, except that this paragraph (d) does not apply if such legal entity and such person are regarded as a single person under these regulations.

§ 477.110 Apportionment of 1959 acreages among tracts.

(a) Where a farm as constituted for the 1959 production is divided for the 1960 production and any producer's application must include data with respect to an allotment crop on the farm or any part thereof, the acreage devoted to such allotment crop in 1959 on the farm shall be apportioned among the tracts involved in the division in the same proportion as the current allotment for the parent farm is apportioned among such tracts pursuant to 7 CFR 719.7.

(b) Where a farm as constituted for the 1959 production is divided for the 1960 production and any producer's application must include data with respect to a nonallotment crop on the farm or any part thereof, the acreage devoted to the nonallotment crop in 1959 on the farm shall be apportioned among the tracts involved in the division in accordance with the acreage devoted to the crop on each tract for 1959, except that, upon the request of an applicant, the county committee may apportion the acreage among the tracts on the basis of the acreage of cropland on each tract, if it determines that such apportionment would be more representative of normal planting.

§ 477.111 Combination of farms or tracts for 1960.

If two or more farms or parts of farms as constituted for the 1959 production are combined into a single farm for the 1960 production, the sum of the 1959 acreages devoted to the commodity on each of the farms and tracts comprising the combination shall become the 1959 acreage for the combined farm.

§ 477.112 Approval of application.

The application for exemption shall be approved by the State administrative officer for the State in which the appli-

cation is filed if he finds upon verification of the applicable data that the acreage reductions required by § 477.109 have been made in the acreage devoted to the commodity in 1960. If otherwise eligible, any person whose application for a commodity is approved shall be entitled to nonrecourse price support for all of his 1960 crop production of such commodity. The State administrative officer of the State in which the application is filed will notify the applicant of the action taken on his application.

§ 477.113 Withdrawal of approval of application for exemption.

If after approval of the application for exemption the Deputy Administrator finds that the applicant has made an erroneous or fraudulent representation in his application for exemption or that an error was made in such approval which, if known, would have resulted in disapproval of the application, the approval shall be withdrawn and the exemption becomes null and void.

§ 477.114 Right of appeal.

If the applicant is dissatisfied with the decision of the State administrative officer with respect to his application for exemption, he may, within 15 days after the date of the mailing of the notice of the decision, request a review of his application by the State committee of the State in which the application is filed. If the applicant is dissatisfied with the decision of the State committee, he may, within 15 days after the date of the mailing of the decision of the State committee request a review of his application by the Deputy Administrator, whose decision shall be final.

NOTE: The reporting and record keeping requirements contained herein have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Done at Washington, D.C., this 2d day of February 1960.

E. T. BENSON,
Secretary of Agriculture.

[F.R. Doc. 60-1186; Filed, Feb. 3, 1960; 1:00 p.m.]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket 6789 o.]

PART 13—PROHIBITED TRADE PRACTICES

Bond Stores, Inc.

Subpart—Advertising falsely or misleadingly: § 13.155 *Prices:* 13.155–40 Exaggerated as regular and customary; 13.155–45 Fictitious marking. Subpart—Misrepresenting oneself and goods—Prices: § 13.1805 *Exaggerated as regular and customary;* § 13.1810 *Fictitious marking.*

(Sec. 6, 38 Stat. 722; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, Bond Stores, Inc., New York, N.Y., Docket 6789, January 7, 1960]

This proceeding was heard by a hearing examiner on the complaint of the Commission charging the corporate owner and operator of 95 retail clothing stores throughout the United States with representing falsely in advertising in newspapers and by radio and television—by such statements as "Bond's Suit Sale 38.90. $50. $55. $60 values. During Bond's Big Celebration Sale—you can save up to twenty-one dollars on a beautiful Tru Fit Suit!"—that during the advertised sale it had reduced its prices to the stated "sale" prices, that the higher prices followed by the word "values" were its regular prices, and that purchase at the "sale" price resulted in a saving of the difference between the two.

From the hearing examiner's dismissal of the complaint, counsel for the complaint appealed. The Commission, on review, granted the appeal, set aside the initial decision, and in lieu thereof on January 7 made its own findings, conclusions, and order to cease and desist.

The order to cease and desist is as follows:

It is ordered, That respondent, Bond Stores, Inc., a corporation, and its officers, agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of wearing apparel in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Representing, directly or by implication that any amount is the regular retail price of respondent's merchandise when such amount is in excess of the price at which said merchandise was regularly sold at retail by respondent in the recent normal course of its business.

B. Misrepresenting in any manner the amount of savings available to purchasers of respondent's merchandise, or the amount by which the price of said merchandise is reduced from the price at which said merchandise was regularly and customarily sold by respondent in the recent normal course of its business.

Report of compliance was required as follows:

It is further ordered, That respondent, Bond Stores, Inc., shall, within sixty (60) days after service upon it of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with the order to cease and desist.

Issued: January 7, 1960.

By the Commission.

[SEAL] ROBERT M. PARRISH,
Secretary.

[F.R. Doc. 60-1168; Filed, Feb. 4, 1960; 8:46 a.m.]

[Docket 7543 c.o.]

PART 13—PROHIBITED TRADE PRACTICES

Midland Affiliated Business Sales and Services, Inc., et al.

Subpart—Advertising falsely or misleadingly: § 13.15 *Business status, advantages, or connections:* 13.15–5 Advertising and promotional services; 13.15–30 Connections or arrangements with others; 13.15–70 Financing activities; 13.15–265 Service; § 13.185 *Refunds, repairs, and replacements;* § 13.205 *Scientific or other relevant facts.* Subpart—Misrepresenting oneself and goods—Business status, advantages or connections: § 13.1395 *Connections and arrangements with others;* § 13.1417 *Financing activities;* § 13.1553 *Services.*

(Sec. 6, 38 Stat. 722; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, Midland Affiliated Business Sales and Services, Inc., et al., Chicago, Ill., Docket 7543, January 6, 1960]

In the Matter of Midland Affiliated Business Sales and Services, Inc., a Corporation, and Saul Wallace and Adrienne E. Wallace, Individually and as Officers of Said Corporation, and Bernard Hewitt, Individually

This proceeding was heard by a hearing examiner on the complant of the Commission charging a Chicago company with using deception to obtain advance fees for advertising real estate or for its services in obtaining loans or financial assistance for businessmen, and representing falsely that fees would be refunded when it failed to sell the property or procure the loan.

After acceptance of an agreement providing for entry of a consent order, the hearing examiner made his initial decision and order to cease and desist as to the company and its officials which became on January 6 the decision of the Commission. The complaint is still pending as to a former official of the company.

The order to cease and desist is as follows:

It is ordered, That respondents Midland Affiliated Business Sales and Services, Inc., a corporation, and its officers (except Adrienne E. Wallace), and Saul Wallace, individually and as an officer of said corporate respondent, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, or sale of advertising in newspapers or other advertising media, or of other services or facilities in connection with the offering or listing for sale, selling, buying, or exchanging of business or any other kind of property in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that:

1. Respondents have available prospective buyers who are interested in

the purchase of, and are financially able to purchase, the properties listed or advertised by them;

2. Respondents are able to and will finance the sale of said properties;

3. The property is underpriced by the owner or that the asking price should be increased or that respondents can or will sell the property at the increased price;

4. Respondents are associated with large numbers of real estate brokers who assist in the sale of the listed property; or that they are associated with any number of brokers that is not in accordance with the fact;

5. The property will be listed in advertisements in newspapers of the customer's choice;

6. The listing or advance fee is intended only as an advance on the selling commission; or that said fee is to assure that the owner will sell the property;

7. The listing or advance fee will be refunded if the property is not sold;

8. Respondents have sold the property of others within a short period of time; or within any period of time not in accordance with the fact;

9. Respondents will sell the property sought to be listed within a short period of time; or within any period of time not in accordance with the fact and that respondents' services will result in the sale of the properties which they accept for listing or advertising;

10. Respondents' services consist of anything other than advertising properties for sale.

It is further ordered, That respondents Midland Affiliated Business Sales and Services, Inc., a corporation, and its officers (except Adrienne E. Wallace), and Saul Wallace, individually and as an officer of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, or sale of their services in obtaining loans or financial assistance for businessmen or others, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that:

1. Respondents will obtain loans within a specified or short period of time; or within any other period of time not in accordance with the fact;

2. Respondents will refund the fee paid, in the event of failure to obtain or procure a loan;

3. A loan will be provided at, or at less than, a specific rate of interest;

4. Respondents make loans to clients from their own funds.

It is further ordered, That the complaint herein, insofar as it relates to respondent Adrienne E. Wallace, be, and the same hereby is, dismissed without prejudice to the right of the Commission to take such action in the future as the facts may then warrant.

By "Decision of the Commission", etc., report of compliance was required as follows:

It is ordered, That respondents Midland Affiliated Business Sales and Services, Inc., a corporation, and its officers, and Saul Wallace, individually and as an officer of said corporate respondent shall within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: January 6, 1960.

By the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F.R. Doc. 60-1169; Filed, Feb. 4, 1960; 8:47 a.m.]

[Docket 7588 c.o.]

PART 13—PROHIBITED TRADE PRACTICES

National Real Estate Appraisal Training Service

Subpart—Advertising falsely or misleadingly: § 13.55 *Demand, business or other opportunities;* § 13.60 *Earnings and profits;* § 13.115 *Jobs and employment service;* § 13.125 *Limited offers or supply;* § 13.143 *Opportunities.* Subpart—Misrepresenting oneself and goods—Goods: § 13.1610 *Demand for or business opportunities;* § 13.1615 *Earnings and profits;* § 13.1670 *Jobs and employment;* § 13.1697 *Opportunities in product or service;* § 13.1747 *Special or limited offers.*

(Sec. 6, 38 Stat. 722; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, Boyd R. Miller trading as National Real Estate Appraisal Training Service, Lakewood, Colo., Docket 7588, January 6, 1960]

In the Matter of Boyd R. Miller, an Individual Trading as National Real Estate Appraisal Training Service

This proceeding was heard by a hearing examiner on the complaint of the Commission charging an individual in Lakewood, Colo., with using false employment offers and earnings claims and other deception to sell his correspondence course in real estate appraisal, including false claims that there was a demand for those completing the course and that he obtained jobs for them at wages of $350 to $450 a month, that special qualifications were required for enrollment, and that only a certain number of students was accepted.

After acceptance of an agreement containing a consent order, the hearing examiner made his initial decision and order to cease and desist which became on January 6 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That respondent Boyd R. Miller, an individual trading and doing business as National Real Estate Appraisal Training Service, or under any other trade name, and respondent's agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of courses of study, including a course of study in real estate appraising, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or indirectly:

1. That employment is being offered when, in fact, the purpose is to obtain purchasers of such course or courses of study.

2. That persons who complete respondent's course of instruction may expect to earn $350.00 to $450.00 a month, or misrepresenting in any manner the amount of earnings of such persons.

3. That any special qualifications are required as to persons who may purchase respondent's course of study.

4. That any limit is imposed on the number of persons who may purchase respondent's course of study.

5. That there is a demand for the services of individuals who have completed respondent's course of study, as real estate appraisers.

6. That respondent obtains employment for those who complete his course of study.

By "Decision of the Commission", report of compliance was required as follows:

It is ordered, That the respondent herein shall within sixty (60) days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with the order to cease and desist.

Issued: January 6, 1960.

By the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F.R. Doc. 60-1170; Filed, Feb. 4, 1960; 8:47 a.m.]

Title 31—MONEY AND FINANCE: TREASURY

Chapter IV—Secret Service, Department of the Treasury

PART 405—ILLUSTRATION OF WAR SAVINGS BONDS AND STAMPS

Correction of CFR Volume

Section 405.1(a), appearing at page 553 of the Code of Federal Regulations volume containing Titles 30 and 31, revised as of January 1, 1959, was incorrectly set forth. Section 405.1(a) should read as follows:

§ 405.1 *Illustrations authorized.* (a) Authority is hereby given to make, hold, dispose of and use illustrations of War Savings Bonds and War Savings Stamps for publicity purposes in connection with the campaign for the sale of War Savings Bonds and Stamps: *Provided:* That illustrations of stamps are of a size less than three-quarters or more than one and one-half, in linear dimension, of each part of such stamp.

* * * * *

Title 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

SUBCHAPTER B—CARRIERS BY MOTOR VEHICLE

[Ex Parte No. MC-40]

PART 192—DRIVING OF MOTOR VEHICLES

PART 193—PARTS AND ACCESSORIES NECESSARY FOR SAFE OPERATIONS

Qualifications and Maximum Hours of Service of Employees of Motor Carriers and Safety of Operation and Equipment

At a general session of the Interstate Commerce Commission, held at its office in Washington, D.C., on the 25th day of January A.D. 1960.

The matter of parts and accessories necessary for safe operation under the Motor Carrier Safety Regulations prescribed by order dated April 14, 1952, as amended, being under consideration, and

It appearing, that a Notice of Proposed Rule Making was issued May 2, 1958 (23 F.R. 3323), in accordance with section 4(a) of the Administrative Procedure Act (60 Stat. 237; 5 U.S.C. 1003), in which interested persons were invited to present on or before July 1, 1958, written statements containing data, views, or arguments on the proposal therein to add to the Code of Federal Regulations § 192.15 *Required and prohibited use of turn signals;* to revoke § 193.21 *Side-marker lamps combined with clearance lamps,* of the Code of Federal Regulations, and to amend § 192.22 *Emergency signals; disabled vehicle,* § 192.23 *Emergency signals; stopped or parked vehicles,* § 193.11 *Lamps and reflectors, small buses and trucks,* § 193.12 *Lamps and reflectors, large buses and trucks,* § 193.13 *Lamps and reflectors, truck-tractors,* § 193.14 *Lamps and reflectors, large semitrailers and full trailers,* § 193.15 *Lamps and reflectors, small semitrailers and full trailers,* § 193.16 *Lamps and reflectors, pole trailers,* § 193.17 *Lamps and reflectors, combinations in driveaway-towaway operations,* § 193.18 *Lamps on motor vehicles with projecting loads,* § 193.19 *Requirements for turn signaling systems,* § 193.22 *Combinations of lighting devices,* § 193.24 *Requirements for head lamps and auxiliary road lighting lamps,* § 193.25 *Requirements for lamps other than head lamps,* § 193.26 *Requirements for reflectors,* § 193.27 *Wiring specifications,* and § 193.30 *Battery installation,* of the Code of Federal Regulations, and that certain representations have been received in response thereto.

It further appearing that continuing study and investigation have established facts warranting the addition of § 192.15 to the Code of Federal Regulations and amendment of § 192.22 and § 192.23 of the Code of Federal Regulations relating to required and prohibited use of directional signals, and the use of emergency signals.

And it further appearing that such study and investigation have established facts warranting the revocation of § 193.21 of the Code of Federal Regulations, and the amendment of Subpart B of Part 193 of the Code of Federal Regulations relating to lighting devices, reflectors, and electrical equipment, and good cause appearing therefor:

It is ordered, That the following § 192.15 be, and it is hereby added to the Code of Federal Regulations.

§ 192.15 Required and prohibited use of turn signals.

(a) *Turns.* Every motor vehicle turn shall be signalled for a distance of not less than 100 feet in advance of, and during, the turning movement by flashing the turn signals at the front and the rear of the vehicle on the side toward which the turning movement is made.

(b) *Entry into traffic stream.* Turn signals shall be flashed to indicate the direction of vehicle movement, prior to and during entry of the vehicle into the traffic stream from a parked position.

(c) *Lane changes.* Turn signals shall be flashed to indicate the direction of vehicle movement continuously, for a distance of not less than 100 feet in advance of, and during, the turning movement of the vehicle from one traffic lane to another.

(d) *Parking or disablement.* Turn signals shall not be flashed on one side only on parked or disabled vehicles.

(e) *Courtesy or "do pass" signals.* Turn signals shall not be used as courtesy or "do pass" signals to operators of vehicles approaching from the rear.

(Sec. 204, 49 Stat. 546, as amended; 49 U.S.C. 304)

It is further ordered, That § 192.22 and § 192.23 of the Code of Federal Regulations be, and they are hereby, amended to read as follows:

§ 192.22 Emergency signals; disabled vehicles.

(a) *Turn signals.* Whenever any motor vehicle is disabled upon the traveled portion of any highway or the shoulder thereof, during the period lighted lamps are required, except where there is sufficient all-night street or highway lighting provided as such to make it clearly discernible to persons on the highway at a distance of 500 feet, the driver of such vehicle shall immediately, upon learning of the disability, flash the two front and two rear turn signals simultaneously as a vehicular traffic hazard warning and continue such flashing until he shall have placed the portable emergency signals required by paragraphs (b) to (e) of this section in use on the highway, and during the time such portable emergency signals are being picked up for storage prior to movement of the vehicle. These warning signals may be given at other times during vehicle disablement in addition to but not in lieu of the portable emergency signals required in paragraphs (b) to (e) of this section.

(b) *Fusee, lantern, or reflector.* The driver of such vehicle shall immediately place on the traveled portion of the highway at the traffic side of the disabled vehicle, a lighted fusee, a lighted red electric lantern, or a red emergency reflector.

(c) *Flares, lanterns, or reflectors.* Except as provided in paragraphs (d), (e), and (f) of this section, as soon thereafter as possible, but in any event within the burning period of the fusee, the driver shall place three liquid-burning flares (pot torches), or three red electric lanterns, or three red emergency reflectors on the traveled portion of the highway in the following order:

(1) One at a distance of approximately 100 feet from the disabled vehicle in the center of the traffic lane occupied by such vehicle and toward traffic approaching in that lane;

(2) One at a distance of approximately 100 feet in the opposite direction from the disabled vehicle in the center of the traffic lane occupied by such vehicle; and

(3) One at the traffic side of the disabled vehicle, not less than 10 feet to the front or rear thereof. If a red electric lantern or red emergency reflector has been placed on the traffic side of the vehicle in accordance with paragraph (b) of this section, it may be used for this purpose.

(d) *Hills, curves, and obstructions.* If disablement of any motor vehicle occurs within 500 feet of a curve, crest of a hill, or other obstruction to view, the driver shall so place the warning signal in that direction as to afford ample warning to other users of the highway, but in no case less than 100 feet nor more than 500 feet from the disabled vehicle.

(e) *Divided or one-way roads.* If disablement of any motor vehicle occurs upon any roadway of a divided or one-way highway, the driver shall place one warning signal at a distance of 200 feet and one such signal at a distance of 100 feet to the rear of the vehicle in the center of the lane occupied by the stopped vehicle; one such signal at the traffic side of the vehicle not less than 10 feet to the rear of the vehicle.

(f) *Leaking flammable material.* If gasoline or any other flammable liquid, or combustible liquid or gas seeps or leaks from a fuel container or a motor vehicle disabled or otherwise stopped upon a highway, no emergency warning signal producing a flame shall be lighted or placed except at such a distance from any such liquid or gas as will assure the prevention of a fire or explosion.

(Sec. 204, 49 Stat. 546, as amended; 49 U.S.C. 304)

§ 192.23 Emergency signals; stopped or parked vehicles.

(a) *Stops 10 minutes or less.* Whenever for any cause other than disablement or necessary traffic stops, any motor vehicle is stopped upon the traveled portion of any highway, or shoulder thereof, during the period lighted lamps are required, except where there is sufficient all-night street or highway lighting provided as such to make it clearly discernible to persons on the highway at a distance of 500 feet, the driver of such vehicle shall immediately flash the two front and two rear

turn signals simultaneously as a vehicular traffic hazard warning signal. These flashing warning signals shall be given continually if the stop is not to exceed 10 minutes.

(b) *Stops over 10 minutes.* If the stop is to exceed 10 minutes, the driver shall place emergency signals as required and in the manner prescribed by § 192.22 (b), (c), (d), and (e).

(Sec. 204, 49 Stat. 546, as amended; 49 U.S.C. 304)

§ 193.21 [Revocation]

It is further ordered, That § 193.21 of the Code of Federal Regulations (49 CFR 193.21) be, and it is hereby, revoked.

It is further ordered, That §§ 193.11–193.19, inclusive, § 193.22, §§ 193.24–193.27, inclusive, and § 193.30 of the Code of Federal Regulations be, and they are hereby, amended to read as follows:

§ 193.11 Lamps and reflectors, small buses and trucks.

Every bus or truck less than 80 inches in overall width shall be equipped as follows:

(a) On the front, at least two head lamps, an equal number at each side; two turn signals, one at each side;

(b) On the rear, two tail lamps, one at each side; two stop lamps, one at each side; two turn signals, one at each side; and two reflectors, one at each side.

§ 193.12 Lamps and reflectors, large buses and trucks.

Every bus or truck 80 inches or more in overall width shall be equipped as follows:

(a) On the front, at least two head lamps, an equal number at each side; two turn signals, one at each side; two clearance lamps, one at each side; three identification lamps, mounted on the vertical center line of the vehicle as high as possible;

(b) On the rear, two tail lamps, one at each side; two stop lamps, one at each side; two turn signals, one at each side; two clearance lamps, one at each side; two reflectors, one at each side; three identification lamps, mounted on the vertical center line of the vehicle, as high as possible, provided that the identification lamps need not be lighted if obscured by a vehicle towed by the truck;

(c) On each side, one side-marker lamp at or near the front; one side-marker lamp at or near the rear; one reflector at or near the front; and one reflector at or near the rear.

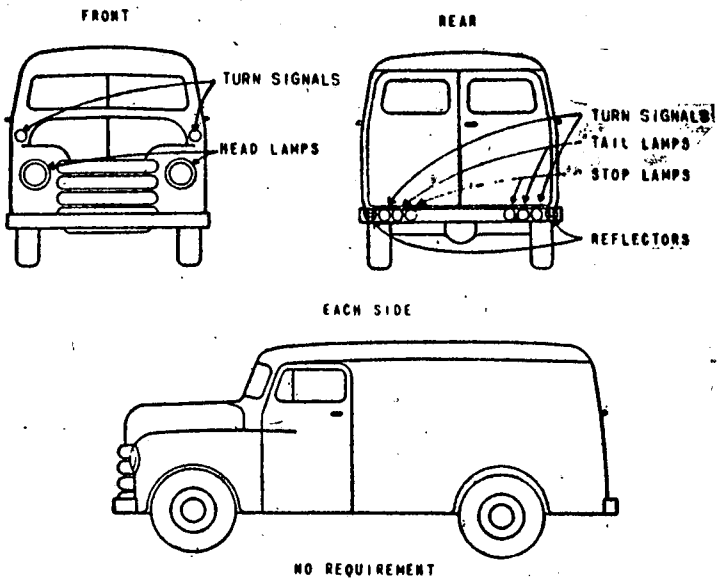
§ 193.13 Lamps and reflectors, truck-tractors.

Every truck-tractor shall be equipped as follows:

(a) On the front, at least two head lamps, an equal number at each side; two clearance lamps, one at each side; two turn signals, one at each side; three identification lamps, mounted as high as possible and on the center line of the vehicle or as near thereto as practical.

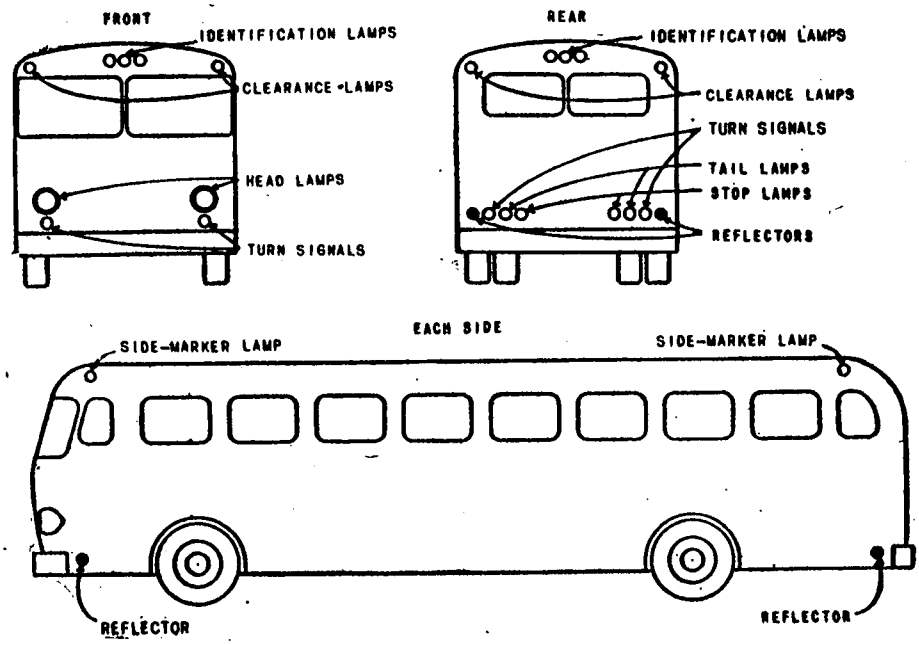
(b) On the rear, one tail lamp; one stop lamp; two reflectors, one at each side; and, unless the turn signals on the front are so constructed and located as to be visible to passing drivers, two turn signals on the rear of the cab, one at each side.

(Diagram to illustrate § 193.11.)



LAMPS MAY BE COMBINED AS PERMITTED BY § 193.22. COLOR OF EXTERIOR LIGHTING DEVICES SHALL CONFORM TO REQUIREMENTS OF § 193.25(e). COLOR OF REFLECTORS SHALL CONFORM TO REQUIREMENTS OF § 193.26(d).

(Bus diagram to illustrate § 193.12.)



LAMPS MAY BE COMBINED AS PERMITTED BY § 193.22. COLOR OF EXTERIOR LIGHTING DEVICES SHALL CONFORM TO REQUIREMENTS OF § 193.25(e). COLOR OF REFLECTORS SHALL CONFORM TO REQUIREMENTS OF § 193.26(d).

§ 193.14 Lamps and reflectors, large semitrailers and full trailers.

Every semitrailer or full trailer 80 inches or more in overall width shall be equipped as follows:

(a) On the front, two clearance lamps, one at each side;

(b) On the rear, two tail lamps, one at each side; two stop lamps, one at each side; two turn signals, one at each side; two clearance lamps, one at each side; two reflectors, one at each side; three identification lamps, mounted on the vertical center line of the vehicle as high as possible, provided that the identification lamps need not be lighted if obscured by another vehicle in the same combination;

(c) On each side, one side-marker lamp at or near the front; one side-marker lamp at or near the rear; one reflector at or near the front; one reflector at or near the rear; and, in case of semitrailers and full trailers 30 feet or more in length, one side-marker lamp and one reflector at or near the center.

§ 193.15 Lamps and reflectors, small semitrailers and full trailers.

Every semitrailer or full trailer less than 80 inches in overall width shall be equipped as follows:

(a) On the rear, two tail lamps, one at each side; two turn signals, one at each side; two reflectors, one at each side; and two stop lamps, one at each side.

§ 193.16 Lamps and reflectors, pole trailers.

Every pole trailer shall be equipped as follows:

(a) On the rear, two tail lamps, one at each side; two stop lamps, one at each side; two turn signals, one at each side; two reflectors, one at each side, placed to indicate extreme width of the pole trailer; three identification lamps mounted on the vertical center line of the pole trailer as high as possible, or in lieu thereof mounted on the vertical center line of the rear of the cab of the truck-tractor drawing the pole trailer as high as possible and higher than the load being transported;

(b) On the rear of projecting loads. (See § 193.18.)

(c) On each side, one amber side-marker lamp at or near the front of the load; one amber reflector at or near the front of the load; on the rearmost support for the load, one combination marker lamp showing amber to the front and red to the rear and side, mounted to indicate maximum width of the pole trailer; on the rearmost support for the load, one red reflector.

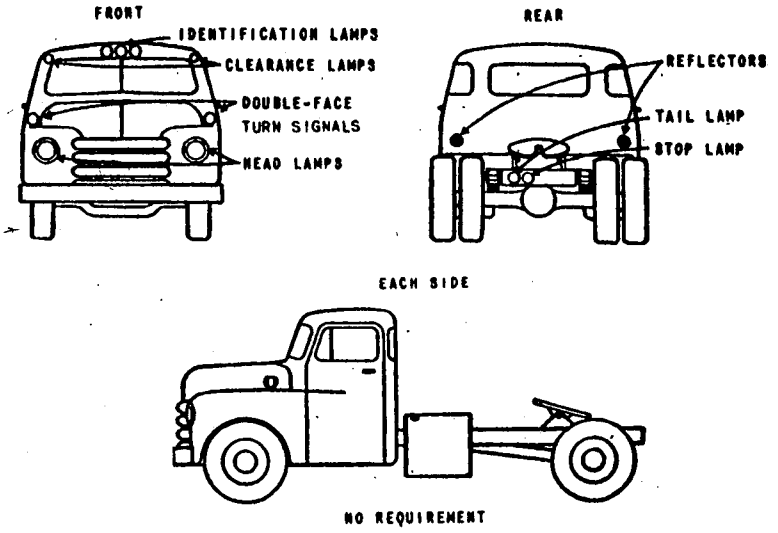
§ 193.17 Lamps and reflectors, combinations in driveaway-towaway operations.

Combinations of motor vehicles engaged in driveaway-towaway operations shall be equipped as follows:

(a) On the towing vehicle:

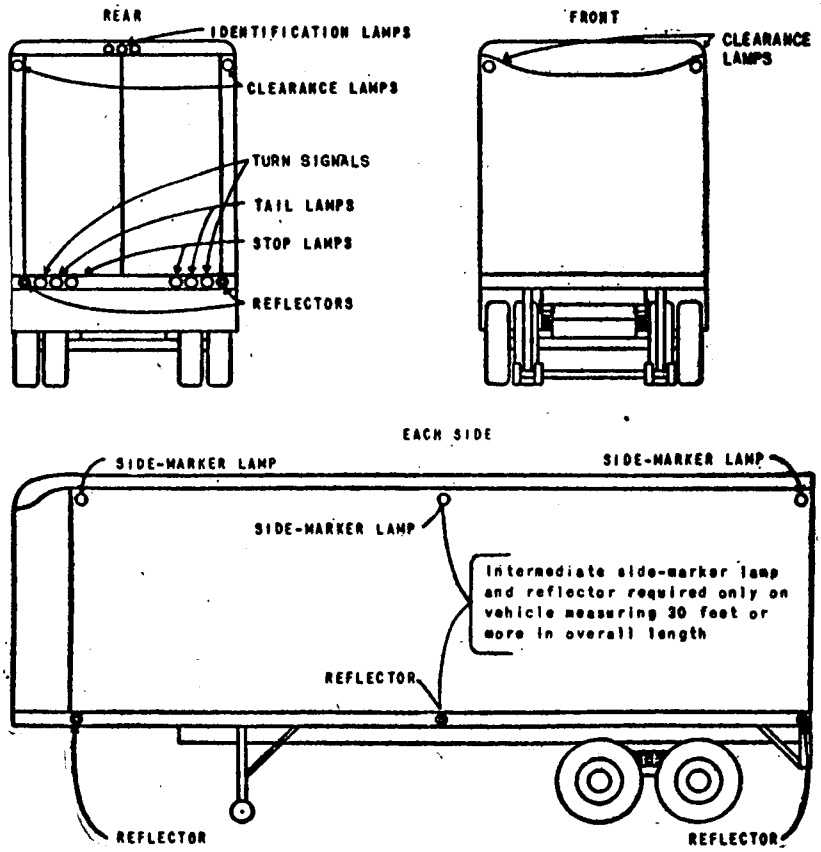
(1) On the front, at least two head lamps, an equal number at each side; two turn signals and two clearance lamps, one at each side; and, if any vehicle in the combination is 80 inches or

(Diagram to illustrate § 193.13.)



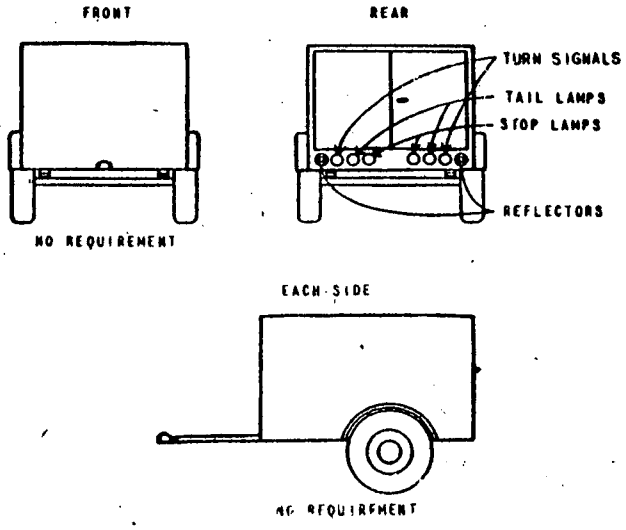
LAMPS MAY BE COMBINED AS PERMITTED BY § 193.22. COLOR OF EXTERIOR LIGHTING DEVICES SHALL CONFORM TO REQUIREMENTS OF § 193.25(e). COLOR OF REFLECTORS SHALL CONFORM TO REQUIREMENTS OF § 193.26(d).

(Diagram to illustrate § 193.14.)



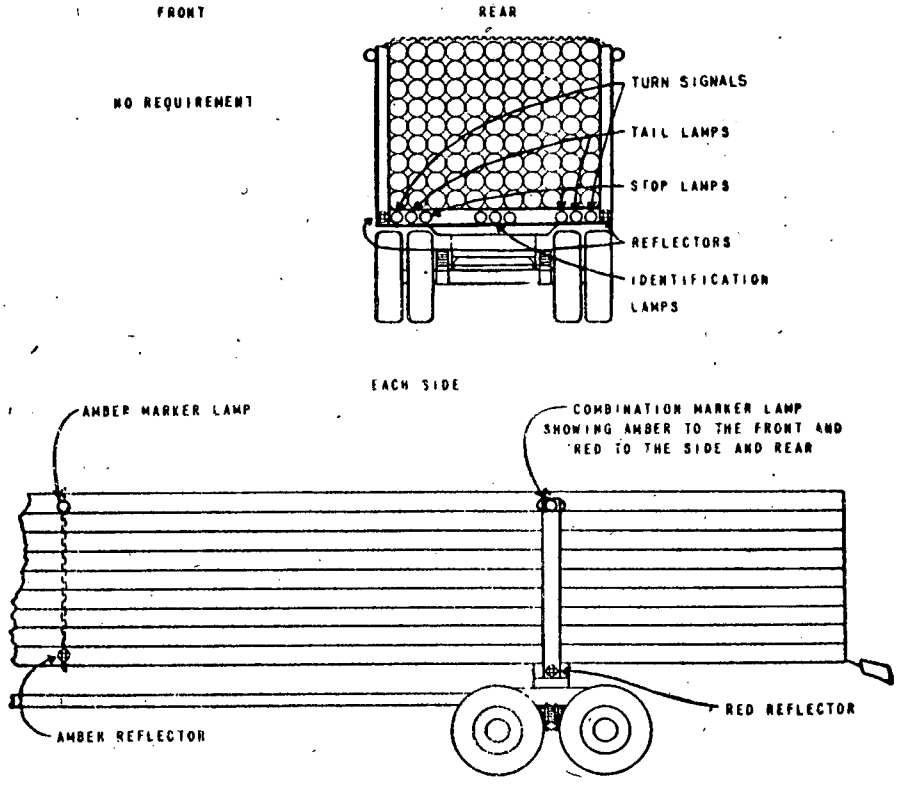
LAMPS MAY BE COMBINED AS PERMITTED BY § 193.22. COLOR OF EXTERIOR LIGHTING DEVICES SHALL CONFORM TO REQUIREMENTS OF § 193.25(e). COLOR OF REFLECTORS SHALL CONFORM TO REQUIREMENTS OF § 193.26(d).

(Diagram to illustrate § 193.15.)



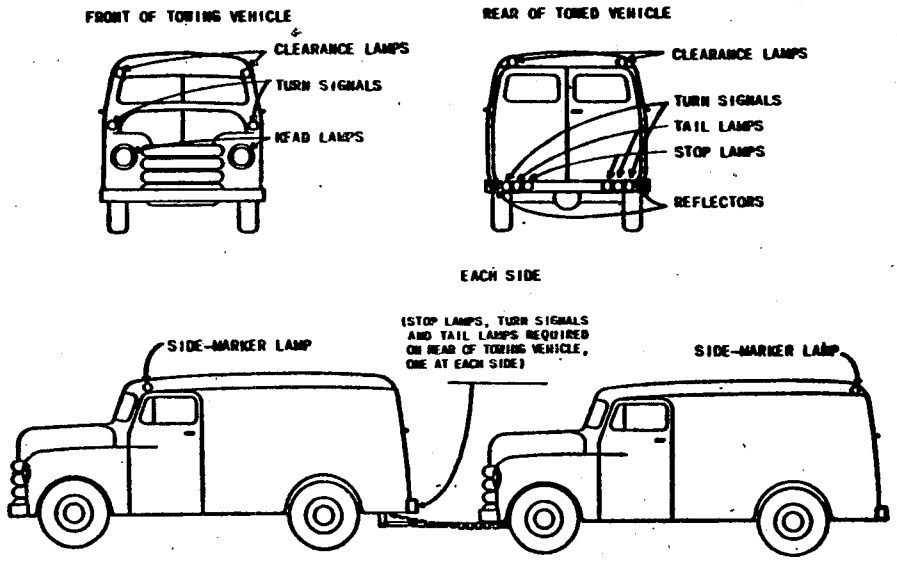
LAMPS MAY BE COMBINED AS PERMITTED BY § 193.22. COLOR OF EXTERIOR LIGHTING DEVICES SHALL CONFORM TO REQUIREMENTS OF § 193.25(e). COLOR OF REFLECTORS SHALL CONFORM TO REQUIREMENTS OF § 193.26(d).

(Diagram to illustrate § 193.16.)



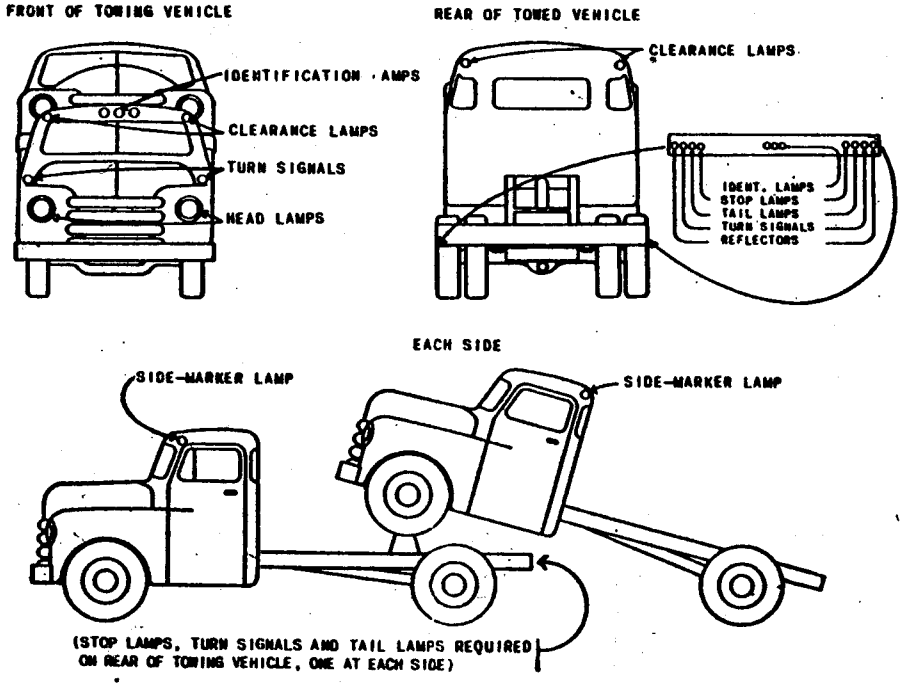
LAMPS MAY BE COMBINED AS PERMITTED BY § 193.22. COLOR OF EXTERIOR LIGHTING DEVICES SHALL CONFORM TO REQUIREMENTS OF § 193.25(e) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION. COLOR OF REFLECTORS SHALL CONFORM TO REQUIREMENTS OF § 193.26(d).

(Tow-bar diagram to illustrate § 193.17.)



LAMPS MAY BE COMBINED AS PERMITTED BY § 193.22. COLOR OF EXTERIOR LIGHTING DEVICES SHALL CONFORM TO REQUIREMENTS OF § 193.25(e). COLOR OF REFLECTORS SHALL CONFORM TO REQUIREMENTS OF § 193.26(d).

(Single-saddle-mount diagram to illustrate § 193.17.)



LAMPS MAY BE COMBINED AS PERMITTED BY § 193.22. COLOR OF EXTERIOR LIGHTING DEVICES SHALL CONFORM TO REQUIREMENTS OF § 193.25(e). COLOR OF REFLECTORS SHALL CONFORM TO REQUIREMENTS OF § 193.26(d).

more in overall width, three identification lamps mounted on the vertical center line of the cab as high as possible;

(2) On each side and near the front, one side-marker lamp;

(3) On the rear, two tail lamps, two stop lamps, and two turn signals, one at each side;

(b) On the towed vehicle of a tow-bar combination, the towed vehicle of a single saddle-mount combination, and on the rearmost towed vehicle of a double saddle-mount combination.

(1) On each side and near the rear, one side-marker lamp;

(2) On the rear, two tail lamps, two stop lamps, two turn signals, two clearance lamps, and two reflectors, one at each side; and, if any vehicle in the combination is 80 inches or more in overall width, three identification lamps mounted as high as possible;

(c) On the first saddle-mounted vehicle of a double saddle-mount combination:

(1) On each side and near the rear, one side-marker lamp.

§ 193.18 Lamps on motor vehicles with projecting loads.

Any motor vehicle transporting a load which extends beyond the width or having projections beyond the rear of such vehicle shall be equipped with the following lamps in addition to other required lamps. (See § 193.87 for flags on such vehicles.)

(a) *Loads projecting beyond sides of motor vehicles.* (1) The foremost edge of the projecting load at its outermost extremity shall be marked with an amber lamp visible from the front and side;

(2) The rearmost edge of the projecting load at its outermost extremity shall be marked with a red lamp visible from the rear and side;

(3) If any portion of the projecting load extends beyond both the foremost and rearmost edge, it shall be marked with an amber lamp visible from the front, side, and rear;

(4) If the projecting load does not measure over three feet from front to rear, it shall be marked with an amber lamp visible from the front, side, and rear except that if the projection is located at or near the rear, it shall be marked by a red lamp visible from the front, side, and rear.

(b) *Projections beyond rear of motor vehicles.* Motor vehicles transporting loads which extend over four feet beyond the rear of the motor vehicle or which have tailboards or tailgates extending over four feet beyond the body shall have these projections marked:

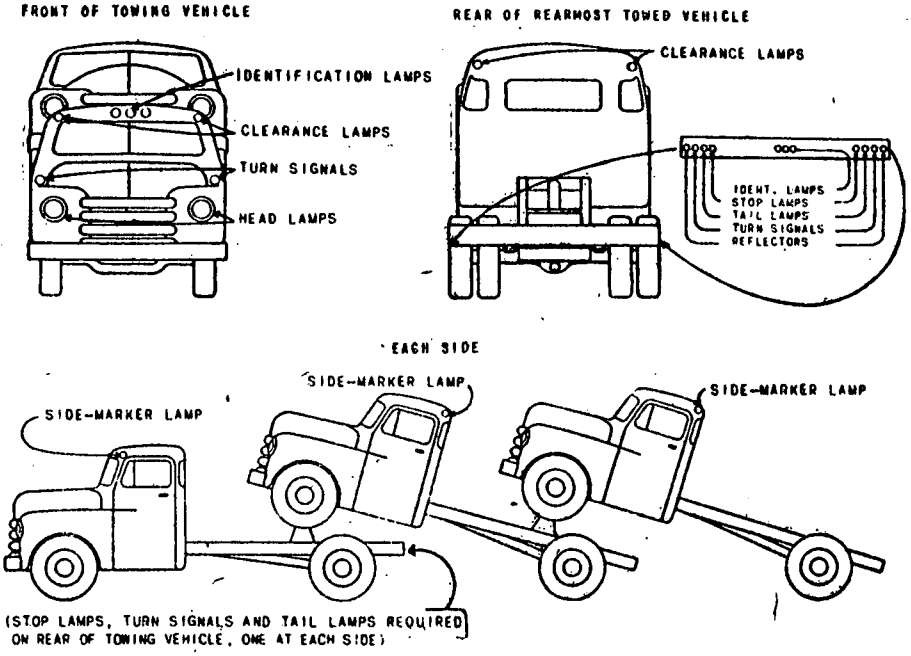
(1) On each side of the projecting load one red lamp, visible from the side located so as to indicate maximum overhang.

(2) On the rear of the projecting load, two red lamps, visible from the rear, one at each side and two red reflectors visible from the rear, one at each side located so as to indicate maximum width.

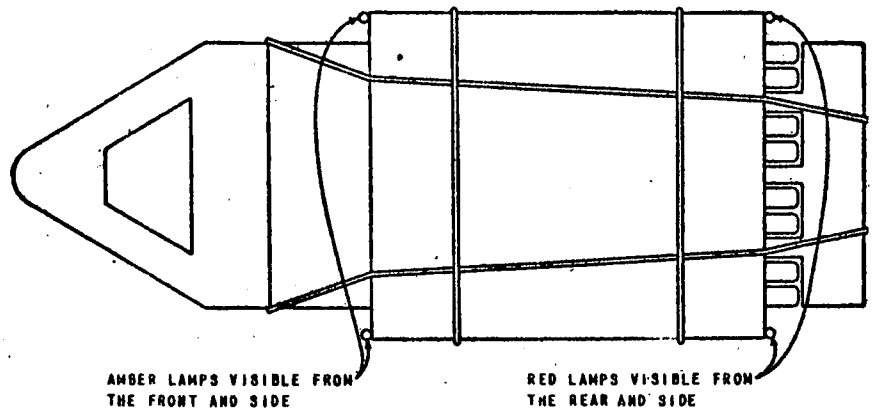
§ 193.19 Requirements for turn signaling systems.

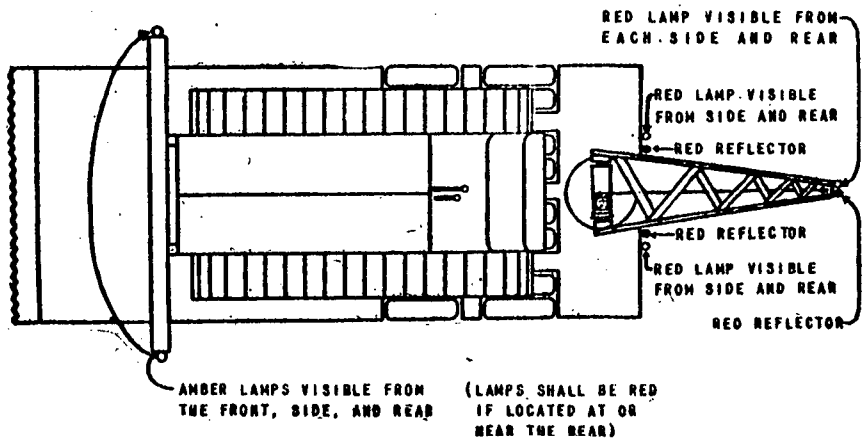
Every motor vehicle shall be equipped with a signaling system that in addition

(Double-saddle-mount diagram to illustrate § 193.17.)



(Diagrams to illustrate § 193.18 for two types of projecting loads.)





to signaling turning movements as required by § 192.15 shall have a switch or combination of switches that will cause the two front turn signals and the two rear turn signals to flash simultaneously as a vehicular traffic hazard warning required by §§ 192.22(a) and 192.23 of this chapter. The system shall be capable of flashing simultaneously with the ignition of the vehicle turned on or off.

§ 193.22 Combinations of lighting devices.

Any two or more lighting devices, whether required by these regulations or not, may be combined into one shell or housing, with exceptions enumerated below, and provided that the requirements for each required lighting device are met and that neither the mounting nor the use of any non-required lighting device is inconsistent with these regulations in any respect:

(a) No turn signal may be combined with any head lamp or other lighting device or combination of lighting devices capable of producing a greater intensity of light than the turn signal when the turn signal is operating.

(b) No turn signal may be combined with a stop lamp unless the arrangement of switches or other parts is such that the stop lamp as such is always extinguished when the turn signal is in use.

(c) No clearance lamp may be combined with any tail lamp or identification lamp.

§ 193.24 Requirements for head lamps and auxiliary road lighting lamps.

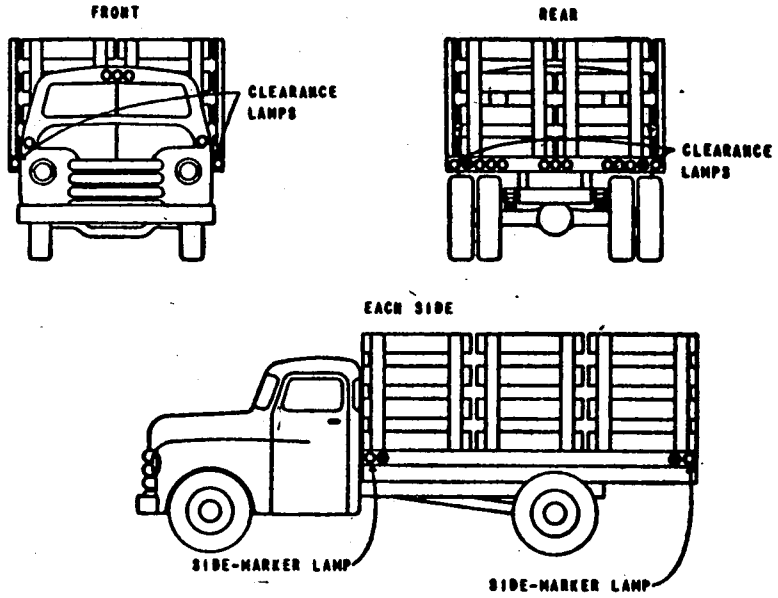
(a) *Mounting.* Head lamps and auxiliary road lighting lamps shall be mounted so that the beams are readily adjustable, both vertically and horizontally, and the mounting shall be such that the aim is not readily disturbed by ordinary conditions of service.

(b) *Head lamps required.* Every bus, truck, and truck-tractor shall be equipped with a headlighting system composed of at least two head lamps, not including fog or other auxiliary lamps, with an equal number on each side of the vehicle. The headlighting system shall provide an upper and lower distribution of light, selectable at the driver's will.

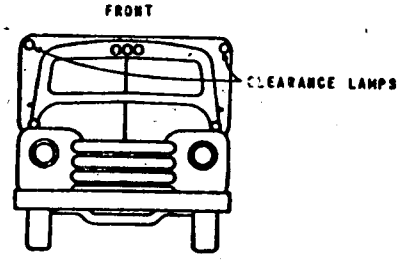
(c) *Fog, adverse-weather, and auxiliary road-lighting lamps.* For the purposes of this section, fog, adverse-weather, and auxiliary road lighting lamps, when installed, are considered to be a part of the headlighting system. Such lamps may be used in lieu of head lamps under conditions making their use advisable if there be at least one such lamp conforming to the appropriate SAE Standards [1] for such lamps on each side of the vehicle.

(d) *Aiming and intensity.* Head lamps shall be constructed and installed so as to provide adequate and reliable illumination and shall conform to the appropriate specification set forth in the SAE Standards [1] for "Electric Head Lamps for Motor Vehicles" or "Sealed-Beam Head Lamp Units for Motor Vehicles".

(Diagram to illustrate § 193.20 for mounting of lamps on vehicles without permanent top or sides.)



(Diagram to illustrate § 193.20 for mounting of front clearance lamps on truck-tractors with sleeper cabs.)



§ 193.25 Requirements for lamps other than head lamps.

(a) *Mounting.* All lamps shall be permanently and securely mounted in workmanlike manner on a permanent part of the motor vehicle, except that temporary sidemarker, clearance, and identification lamps on motor vehicles being transported in driveaway-towaway operations and temporary electric lamps on projecting loads need not be permanently mounted nor mounted on a permanent part of the vehicle. All clearance lamps and sidemarker lamps must be firmly attached.

(b) *Visibility.* Clearance, sidemarker, identification, tail, and projecting load-marker lamps shall be so mounted as to be capable of being seen at all distances between 500 feet and 50 feet under clear atmospheric conditions during the time lamps are required to be lighted. The light from front clearance and front identification lamps shall be visible to the front, that from sidemarker lamps to the side, that from rear clearance, rear identification, and tail lamps to the rear, and that from projecting load-marker lamps from those directions required by § 193.18. This shall not be construed to apply to lamps on one unit which are obscured by another unit of a combination of vehicles.

(c) *Specifications.* All required lamps shall conform to the appropriate requirements set forth in SAE Standards [1] and shall be installed so as to provide an adequate and reliable warning signal. Turn signals shall conform to the requirements for Class A, Type I turn signal units. Projecting load-marker lamps shall conform to the requirements for clearance lamps.

(d) *Certification and markings.* All required lamps installed on motor vehicles manufactured after June 30, 1960, and all replacement lamps installed on any motor vehicle after December 31, 1960, shall be marked to constitute a certification by the manufacturer or supplier that the lamp conforms to all requirements appropriate to such lamps. Markings in each case shall be visible

[1] Wherever reference is made in these regulations to SAE Standards, they shall be as found in the 1959 edition of the "SAE Handbook", as supplemented by Pamphlet No. TR-34, published March 1959, by the Society of Automotive Engineers, 485 Lexington Avenue, New York 17, N.Y.

when such lamp is in place on the vehicle.

(1) Stop lamps shall be marked with the manufacturer's or supplier's name or trade name and shall be marked "SAE–S".

(2) Turn signal units shall be marked with the manufacturer's or supplier's name or trade name and shall be marked "SAE–AI".

(3) Tail lamps shall be marked with the manufacturer's or supplier's name or trade name and shall be marked "SAE–T".

(4) Clearance, sidemarker, identification and projecting load-marker lamps shall be marked with the manufacturer's or supplier's name or trade name and shall be marked "SAE".

(5) Combination lamps shall be marked with the manufacturer's or supplier's name or trade name and shall be marked "SAE" followed by the appropriate letters indicating the individual lamps combined.

(e) *Color.* The color of exterior lighting devices not otherwise specified in these regulations shall be as follows:

(1) All front clearance and identification lamps, and all sidemarker lamps except those at or near the rear shall when lighted display an amber color;

(2) No lighted red lamp of any character shall be displayed at any place other than on the rear or on the sides near the rear, except that this prohibition shall not apply to any school bus when operating as such, to lamps on projecting loads as specified in § 193.18, or to rear-facing lenses of turn signals;

(3) All rear clearance and identification lamps, the sidemarker lamps at or near the rear, and any other lamps mounted on the rear or on the sides near the rear shall when lighted display a red color except as specified by §§ 193.16 and 193.18, and as permitted by subparagraphs (4), (5), and (6) of this paragraph;

(4) The stop lamp or lamps, and the turn signals on or facing the rear of any motor vehicle shall be red, yellow, amber, or any shade of color between red and yellow; and the turn signals facing the front of any motor vehicle shall be white, amber, or any shade of color between white and amber;

(5) Back-up lamp or lamps showing white to amber to the rear may be mounted on the rear of any vehicle if such lamp or lamps can be lighted only when the vehicle is in reverse gear or when a pilot lamp readily visible to the driver is burning to indicate that such back-up lamp or lamps are lighted;

(6) White lamps may be used for the purpose of illuminating license plates on any vehicle or destination signs on buses;

(7) This section shall not be so construed as to prohibit the use of motor vehicles in combination if such motor vehicles are severally lighted as required by §§ 193.11 to 193.17 inclusive;

(8) Wherever reference is made in these regulations to the colors red, amber, or white, said colors shall be as prescribed in the SAE Standard [1] "Color Specification for Electric Lamps".

(f) *Lighting devices to be steady-burning.* All exterior lighting devices shall be of the steady-burning type except turn signals on any vehicle, stop lamps when used as turn signals, warning lamps on school buses when operating as such, and warning lamps on emergency and service vehicles authorized by State or local authorities. This paragraph shall not be construed to prohibit the use of turn signals to give vehicular traffic hazard warning signals as required by §§ 192.22 and 192.23.

(g) *Stop lamp operation.* All stop lamps on each motor vehicle or combination of motor vehicles shall be actuated upon application of any of the service brakes and upon activation of the emergency feature of trailer brakes by means of either manual or automatic control on the towing vehicle, except when the towing vehicle engine ignition is turned off, and except that stop lamps on a towing vehicle need not be actuated when service brakes are applied to the towed vehicle or vehicles only.

§ 193.26 Requirements for reflectors.

(a) *Mounting.* All required reflectors shall be mounted upon the motor vehicle at a height not less than 24 inches nor more than 60 inches above the ground on which the motor vehicle stands, except that reflectors shall be mounted as high as practicable on motor vehicles which are so constructed as to make compliance with the 24-inch requirement impractical. They shall be so installed as to perform their function adequately and reliably, and except for temporary reflectors required for vehicles in driveaway-towaway operations, or on projecting loads, all reflectors shall be permanently and securely mounted in workmanlike manner so as to provide the maximum of stability and the minimum likelihood of damage. Required reflectors otherwise properly mounted may be securely installed on flexible strapping or belting provided that under conditions of normal operation they reflect light in the required directions. Required temporary reflectors mounted on motor vehicles during the time they are in transit in any driveaway-towaway operation must be firmly attached.

(b) *Specifications.* All required reflectors shall conform to the requirements for Class A reflectors set forth in SAE Standard [1] "Reflex Reflectors".

(c) *Certification and markings.* All required reflectors installed on motor vehicles made after June 30, 1960, and all replacement reflectors installed on any motor vehicle after December 31, 1960, shall be marked with the manufacturer's or supplier's name or trade name and shall be marked with the letters "SAE–A" to constitute a certification that the reflector conforms to all requirements appropriate to Class A reflectors. Marking in each case shall be visible when such reflector is in place on the vehicle.

(d) *Color.* All reflectors on the rear and those nearest to the rear on the sides, except those referred to in paragraph (e) of this section, shall reflect a red color; all other reflectors, except those referred to in paragraph (e) of this section, shall reflect an amber color, provided that this requirement shall not be construed to prohibit the use of motor vehicles in combination if such motor vehicles are severally equipped with reflectors as required by §§ 193.11 to 193.17, inclusive. Wherever reference is made to the colors red or amber for reflectors, such colors shall correspond to the requirements in the SAE Standard [1] "Color Specification for Electric Lamps".

(e) *Retroreflective surfaces.* Retroreflective surfaces other than required reflectors may be used, provided:

(1) Designs do not resemble traffic control signs, lights, or devices, except that straight edge striping resembling a barricade pattern may be used.

(2) Designs do not tend to distort the length and/or width of the motor vehicle.

(3) Such surfaces shall be at least three inches from any required lamp or reflector unless of the same color as such lamp or reflector.

(4) No red color shall be used on the front of any motor vehicle.

(5) Retroreflective license plates required by State or local authorities may be used.

§ 193.27 Wiring specifications.

Wiring for both low-tension and high-tension circuits shall be constructed and installed so as to function reliably and adequately. It shall at least conform to the appropriate requirements in the SAE Standard [1] "Insulated Cable", or be mechanically and electrically at least equal to such cable. The frame and other metal parts of a motor vehicle may be used as a return ground system provided that for truck-tractor-semitrailer combinations, the truck-tractor is electrically bonded to the semitrailer. The source of power and the electrical wiring shall be of such size and characteristics that required lamps shall, when lighted, with the generator of the vehicle or the towing vehicle operating, operate at an electrical voltage not less than 5.0 volts for a nominal 6-volt lamp and not less than 10.0 volts for a nominal 12-volt lamp, until December 31, 1961, and thereafter an electrical voltage in accordance with the recommendations of SAE Pamphlet TR–34, March, 1959, or not less than that for which they were designed, less five-tenths (0.5) volt.

NOTE: The design voltages of some standard lamp bulbs and sealed units are here quoted from SAE Pamphlet TR–34:

Number	Volts	Number	Volts
63	7.0	67	13.5
*81	*6.5	89	13.0
209	6.5	631	14.0
1129	6.4	1003	12.8
1133	6.2	1004	12.8
1154	6.4 and 7.0	1034	12.8 and 14.0
5040	6.1 and 6.2	1073	12.8
		1141	12.8
		1247	14.0
		4001	12.8
		4002	12.8
		5400	12.8
		5440	12.8

*Bulb No. 81 may be used at 5.5 volts where 3 candlepower will suffice.

§ 193.30 Battery installation.

Every storage battery on every vehicle, unless located in the engine compartment, shall be covered by a fixed part of the motor vehicle or protected by a removable cover or enclosure. Remov-

See footnote on p. 1014.

able covers or enclosures shall be substantial and shall be securely latched or fastened. The storage battery compartment and adjacent metal parts which might corrode by reason of battery leakage shall be painted or coated with an acid-resisting paint or coating and shall have openings to provide ample battery ventilation and drainage. Wherever the cable to the starting motor passes through a metal compartment, the cable shall be protected against grounding by an acid and waterproof insulating bushing. Wherever a battery and a fuel tank are both placed under the driver's seat, they shall be partitioned from each other, and each compartment shall be provided with an independent cover, ventilation, and drainage.

(Sec. 204, 49 Stat. 546, as amended; 49 U.S.C. 304)

It is further ordered, That this order shall be effective August 1, 1960, and shall continue in effect until further order of the Commission.

And it is further ordered, That notice of this order shall be given to motor carriers, other persons of interest, and to the general public by depositing a copy thereof in the office of the Secretary of the Interstate Commerce Commission, Washington, D.C., and by filing a copy thereof with the Director, Office of the Federal Register.

By the Commission.

[SEAL] HAROLD D. McCOY,
Secretary.

[F.R. Doc. 60-1078; Filed, Feb. 4, 1960; 8:46 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER B—FOOD AND FOOD PRODUCTS

PART 19—CHEESES; PROCESSED CHEESES; CHEESE FOODS; CHEESE SPREADS, AND RELATED FOODS; DEFINITIONS AND STANDARDS OF IDENTITY

Cheddar Cheese, Washed Curd Cheese, Colby Cheese, Granular Cheese, Swiss Cheese; Order Amending Standards of Identity

In the matter of amending the standards of identity for cheddar cheese, washed curd cheese, colby cheese, granular cheese, and swiss cheese:

A notice of proposed rule making was published in the FEDERAL REGISTER of June 2, 1959 (24 F.R. 4495), setting forth proposals by the National Cheese Institute, 110 North Franklin Street, Chicago, Illinois, to amend the definitions and standards of identity for cheddar cheese, washed curd cheese, colby cheese, granular cheese, and swiss cheese to provide for the optional use of hydrogen peroxide and catalase in treating the milk used in making such cheeses.

On the basis of the relevant information available, taking into consideration that submitted in comments, it is concluded that it will promote honesty and fair dealing in the interest of consumers to adopt the amendments hereinafter set out. Therefore, pursuant to the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1055, as amended, 70 Stat. 919; 21 U.S.C. 341, 371) and delegated to the Commissioner of Food and Drugs by the Secretary (22 F.R. 1045, 23 F.R. 9500): *It is ordered,* That the standards of identity for cheddar cheese, washed curd cheese, colby cheese, granular cheese, and swiss cheese (21 CFR and 21 CFR, 1958 Supp., 19.500, 19.505, 19.510, 19.535, 19.540) be amended as set forth below:

1. In § 19.500 *Cheddar cheese* * * *, paragraph (e) is amended by adding a new subparagraph (3) to read as follows:

(3) During the cheese-making process the milk may be treated with hydrogen peroxide solution followed by addition of a suitable catalase preparation to eliminate the hydrogen peroxide. The hydrogen peroxide solution shall comply with the specifications of the United States Pharmacopeia, except that it may exceed the concentration specified therein and it does not contain added preservative. The amount of the hydrogen peroxide solution used shall be such that the weight of the hydrogen peroxide added thereby does not exceed 0.05 percent of the weight of the milk treated. The catalase preparation shall be a stable, buffered solution, neutral in pH, having a potency of not less than 100 Keil units per milliliter. The catalase therein shall have been extracted from the livers of meat animals, which livers have been inspected and passed by the Meat Inspection Division, Agricultural Research Service, of the United States Department of Agriculture. The amount of catalase preparation used shall be such that the weight of the catalase added thereby does not exceed 20 parts per million of the weight of the milk treated.

2. In § 19.505 *Washed curd cheese* * * *, paragraph (c) is amended by adding a new subparagraph (3) to read as follows:

(3) During the cheese-making process the milk may be treated as provided in § 19.500(e)(3).

3. In § 19.510 *Colby cheese* * * *, paragraph (c) is amended by adding a new subparagraph (3) to read as follows:

(3) During the cheese-making process the milk may be treated as provided in § 19.500(e)(3).

4. In § 19.535 *Granular cheese* * * *, paragraph (c) is amended by adding a new subparagraph (3) to read as follows:

(3) During the cheese-making process the milk may be treated as provided in § 19.500(e)(3).

5. In § 19.540 *Swiss cheese* * * * paragraph (c) is amended by renumbering the present paragraph (c) as (c)(1) and by adding a new subparagraph (2) to read as follows:

(2) During the cheese-making process the milk may be treated as provided in § 19.500(e)(3).

Any person who will be adversely affected by the foregoing order may at any time prior to the thirtieth day from the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, Health, Education, and Welfare Building, 330 Independence Avenue SW., Washington 25, D.C., written objections thereto. Objections shall show wherein the person filing will be adversely affected by the order, shall specify the provisions of the order deemed objectionable and the grounds for the objections, and shall request a public hearing. Objections may be accompanied by a memorandum or brief in support thereof. All documents shall be filed in quintuplicate.

Effective date. This order shall become effective 60 days after its publication in the FEDERAL REGISTER, except as to any provision that may be stayed by the filing of objections. Notice of the filing of objections, or the lack thereof, will be announced by publication in the FEDERAL REGISTER.

Dated: February 1, 1960.

[SEAL] GEO. P. LARRICK,
Commissioner of Food and Drugs.

[F.R. Doc. 60-1171; Filed, Feb. 4, 1960; 8:47 a.m.]

Title 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T.D. 55039]

DESCRIPTION OF MERCHANDISE ON ENTRIES AND MERCHANDISE SUBJECT TO TARIFF-RATE QUOTA RELEASED UNDER SPECIAL PERMITS

Amendments to the Foreign Commerce Statistical Regulations (Title 15, Part 30, Code of Federal Regulations) provide for use by the importing public of the descriptive terms for merchandise in the publication "United States Import Duties Annotated for Statistical Reporting" when import entries and withdrawals are prepared, instead of the descriptive terms in Schedule A, "Statistical Classification of Commodities Imported Into the United States". It is necessary to amend the Customs Regulations to reflect this change.

At present, misinterpretation is possible of existing provisions of the Customs Regulations relating to the release of merchandise subject to a tariff-rate quota outside of regular, official office hours under a special permit for immediate delivery.

To make reference to the use in import entries and withdrawals of the terms in "United States Import Duties Annotated for Statistical Reporting", to clarify the provisions relating to tariff-rate quota merchandise so as to cover immediate delivery outside official office hours, and to make current certain organizational references to other Govern-

ment agencies, the Customs Regulations are amended as follows:

PART 8—LIABILITY FOR DUTIES; ENTRY OF IMPORTED MERCHANDISE

1. Section 8.5(c), first sentence, is amended to read:

(c) Properly authorized employees of the Customs Service, the Food and Drug Administration, the Agricultural Research Service, the Public Health Service, or other agency of the United States may take samples of unladen merchandise for which entry has not been filed. * * *

2. Section 8.8(a) is amended to read:

(a) Entries shall be legibly prepared on a typewriter or with ink, indelible pencil, or other permanent medium. All entry papers and documents required shall be on the appropriate forms prescribed by the regulations and shall clearly set forth, with respect to the merchandise covered thereby, all information for which spaces are provided on such forms.[9] With respect to each invoice covered by the entry, the following shall be shown separately: the quantity of each class of merchandise; the claimed rate or rates of duty for each class of merchandise; and, except in the case of entry by appraisement, the aggregate of the entered value for each classification. The description of the merchandise shall be in terms of the tariff act in accordance with "United States Import Duties Annotated for Statistical Reporting", or in more specific terms which indicate clearly the tariff classification claimed by the importer.[10]

(R.S. 161, as amended, 251, secs. 484, 624, 46 Stat. 722, as amended, 759; 5 U.S.C. 22, 19 U.S.C. 66, 1484, 1624)

PART 10—ARTICLES CONDITIONALLY FREE; SUBJECT TO A REDUCED RATE, ETC.

Section 10.74(c) is amended by substituting "Agricultural Research Service" for "Bureau of Animal Industry".

(R.S. 161, as amended, 251, sec. 624, 46 Stat. 759; 5 U.S.C. 22, 19 U.S.C. 66, 1624)

PART 12—SPECIAL CLASSES OF MERCHANDISE

Sections 12.11 (a) and (b), and 12.14 (a) are amended by substituting "Plant Quarantine Division" for "Plant Quarantine Branch."

The last sentence of § 8.59(g) of the Customs Regulations concerns merchandise subject to a tariff-rate quota which is released under an immediate delivery permit at a time when the applicable quota is filled. This provision of the regulations contemplates the acceptance of timely entries by collectors until midnight of the last day before the quota again opens, provided the entries are tendered at a time when overtime services of the customs officers concerned are reimbursable and the person desiring to make the entry has applied for overtime services in accordance with § 24.16 of the Customs Regulations.

Section 12.50(a) of the Customs Regulations provides in part that consumption entries and withdrawals for consumption covering quota commodities shall be accepted only during the official office hours when the customhouse is fully staffed and open for the transaction of all customs business.

In order to bring these two sections into harmony, the second sentence of § 12.50(a) of the Customs Regulations is amended by changing the initial letter in the first word from upper to lower case and inserting "Except as otherwise provided for in § 8.59(g)," at the beginning of that sentence so that the sentence will read as follows: "Except as otherwise provided for in § 8.59(g) of this chapter, consumption entries and withdrawals for consumption covering quota commodities shall be accepted only during the official office hours when the customhouse is fully staffed and open for the transaction of all customs business."

(R.S. 161, 251, sec. 624, 46 Stat. 759; 5 U.S.C. 22, 19 U.S.C. 66, 1624)

PART 18—TRANSPORTATION IN BOND AND MERCHANDISE IN TRANSIT

Section 18.21(a) is amended by substituting "Plant Quarantine Division" for "Plant Quarantine Branch".

(R.S. 161, as amended, 251, sec. 624, 46 Stat. 759; 5 U.S.C. 22, 19 U.S.C. 66, 1624)

PART 32—TRADE FAIRS

Section 32.4 is amended by substituting "Plant Quarantine Division" for "Plant Quarantine Branch".

(R.S. 161, as amended, 251, sec. 624, 46 Stat. 759; 5 U.S.C. 22, 19 U.S.C. 66, 1624)

[SEAL] RALPH KELLY,
Commissioner of Customs.

Approved: January 29, 1960.

A. GILMORE FLUES,
Acting Secretary of the Treasury.

[F.R. Doc. 60-1176; Filed, Feb. 4, 1960; 8:48 a.m.]

Title 46—SHIPPING

Chapter II—Federal Maritime Board, Maritime Administration, Department of Commerce

SUBCHAPTER A—POLICY, PRACTICE AND PROCEDURE

[General Order 88]

PART 206—MISCELLANEOUS FEES

Subpart B—Foreign Discrimination Affecting U.S. Ships

Notice of proposed rule making (Docket No. 855) appeared in the FEDERAL REGISTER issue of July 3, 1959 (24 F.R. 5422). Comments or suggestions of interested parties were invited to be submitted within thirty days from publication, which time was extended to August 21, 1959 (24 F.R. 6245, Aug. 4, 1959). The comments submitted do not present considerations requiring substantive amendment of the proposed regulation; therefore, notice is hereby given of the adoption of the regulation contained in the following new §§ 206.301–206.303 which are added to this part:

Sec.
206.301 Scope.
206.302 Imposition of equalization fees or charges.
206.303 Other off-setting regulations.

AUTHORITY: §§ 206.301 to 206.303 issued under sec. 19 (41 Stat. 995; 46 U.S.C. 876), sec. 204 (49 Stat. 1987, as amended; 46 U.S.C. 1114).

§ 206.301 Scope.

This rule will be invoked when the Federal Maritime Board finds that a foreign government has promulgated laws, regulations, or practices which discriminate against vessels of the United States, and when efforts of the Board fail to eliminate the discriminatory laws, regulations, or practices through friendly representations with foreign governments or agencies via diplomatic or other channels.

§ 206.302 Imposition of equalization fees or charges.

The Federal Maritime Board, in order to counteract the adverse effect of fees or charges imposed by a foreign government which discriminate, directly or indirectly, against vessels documented under the laws of the United States, will impose equalizing fees or charges against vessels flying the flag of the discriminating country or vessels owned, operated, or chartered by shipping companies to which such foreign government has extended the same preferential treatment accorded to vessels flying the flags of the discriminating country, and/or the users of the services of said vessels.

§ 206.303 Other off-setting regulations.

If and when other discriminatory practices against vessels documented under the laws of the United States are found to exist, off-setting regulations will be imposed by the Federal Maritime Board.

Dated: February 1, 1960.

By order of the Federal Maritime Board.

JAMES L. PIMPER,
Secretary.

[F.R. Doc. 60-1158; Filed, Feb. 4, 1960; 8:45 a.m.]

PROPOSED RULE MAKING

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR (1954) Part 211]

DISTRIBUTION AND USE OF DENATURED ALCOHOL AND RUM

Notice of Proposed Rule Making

Notice is hereby given pursuant to the Administrative Procedure Act, approved

June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to final adoption of such regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing, in duplicate, to the Director, Alcohol and Tobacco Tax Division, Internal Revenue Service, Washington 25, D.C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Director, Alcohol and Tobacco Tax Division, within the 30-day period. In such a case, a public hearing will be held and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

[SEAL] DANA LATHAM,
Commissioner of Internal Revenue.

In order to provide separate regulations covering the distribution and use of completely denatured alcohol, specially denatured alcohol, and specially denatured rum, to further implement certain provisions of Title II of Public Law 85-859 (72 Stat. 1313), and to liberalize certain requirements with respect of the distribution and use of such denatured alcohol and rum, the following regulations are hereby prescribed as Part 211 of Title 26 of the Code of Federal Regulations:

Preamble. 1. The regulations in this part shall supersede regulations in Parts 182 and 216 of this chapter to the extent that such parts relate to the distribution and use of denatured alcohol and denatured rum, and shall supersede in their entirety regulations in Subpart M of Part 170 of this chapter.

2. These regulations shall not affect any act done (except as provided in paragraph 3) or any liability or right accruing or accrued, or any suit or proceeding had or commenced before the effective date of these regulations.

3. The regulations in this part shall be effective on July 1, 1960. Any act done prior to such date to qualify a permittee under this part, or otherwise provide for the orderly administration of this part, shall be subject to these regulations and shall have the same effect as if done on July 1, 1960.

AUTHORITY: §§ 211.1 to 211.285 issued under sec. 7805, 68A Stat. 917; 26 U.S.C. 7805. Statutory provisions interpreted or applied are cited to text in parentheses.

Subpart A—Scope

§ 211.1 General.

The regulations in this part relate to denatured distilled spirits and cover the procurement, use, disposition, and recovery of denatured alcohol, specially denatured rum, and articles containing denatured spirits.

§ 211.2 Territorial extent.

This part applies to the several States of the United States and the District of Columbia.

§ 211.3 Related regulations.

Regulations relating to this part are listed below:

26 CFR Part 196—Stills.
26 CFR Part 200—Rules of Practice in Permit Proceedings.
26 CFR Part 201—Distilled Spirits Plants.
26 CFR Part 212—Formulas for Denatured Alcohol and Rum.
26 CFR Part 250—Liquors and Articles From Puerto Rico and the Virgin Islands.
26 CFR Part 251—Importation of Distilled Spirits, Wines, and Beer.
26 CFR Part 252—Exportation of Liquors.
31 CFR Part 225—Acceptance of Bonds, Notes, or Other Obligations Issued or Guaranteed by the United States as Security in Lieu of Surety or Sureties on Penal Bonds.

Subpart B—Definitions

§ 211.11 Meaning of terms.

When used in this part and in forms prescribed under this part, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof, terms shall have the meanings ascribed in this section. Words in the plural form shall include the singular, and vice versa, and words importing the masculine gender shall include the feminine. The terms "includes" and "including" do not exclude things not enumerated which are in the same general class.

Alcohol. Those spirits known as ethyl alcohol, ethanol, or spirits of wine, from whatever source or by whatever process produced; the term does not include such spirits as whisky, brandy, rum, gin, vodka, or products of rectification.

Article. Any substance or preparation in the manufacture of which denatured spirits are used, including the product obtained by further manufacture or by combination with other materials, if the article subjected to further manufacture or combination contained denatured spirits.

Assistant regional commissioner. An assistant regional commissioner (alcohol and tobacco tax) who is responsible to, and functions under the direction and supervision of, a regional commissioner.

Bonded dealer. A person who holds and industrial use permit to deal in specially denatured alcohol or specially denatured rum for resale to persons authorized to purchase or receive specially denatured alcohol or specially denatured rum in accordance with this part.

Bulk conveyance. Any tank car, tank truck, tank ship, or tank barge, or other similar container approved by the Director, authorized for the conveyance of denatured spirits in bulk.

CFR. The Code of Federal Regulations.

Commissioner. The Commissioner of Internal Revenue.

Completely denatured alcohol. Those spirits known as alcohol, as defined in

this section, denatured pursuant to completely denatured alcohol formulas prescribed in Subpart C of Part 212 of this chapter.

Denaturant. Any one of the materials authorized under the provisions of Part 212 of this chapter for addition to spirits in the production of denatured spirits.

Denatured spirits. Alcohol or rum to which denaturants have been added as provided in Part 212 of this chapter.

Denaturer. The proprietor of a distilled spirits plant who denatures alcohol or rum pursuant to Part 201 of this chapter.

Director. The Director, Alcohol and Tobacco Tax Division, Internal Revenue Service, Washington, D.C.

Distributor. Any person who sells completely denatured alcohol, other than a proprietor of a distilled spirits plant who sells such alcohol at the plant premises, and any person who sells articles containing completely or specially denatured alcohol or specially denatured rum, other than the manufacturer thereof, except where otherwise specifically restricted in this part.

Executed under penalties of perjury. Signed with the declaration "I declare under the penalties of perjury that this ---------- (insert type of document, such as statement, report, claim, certificate), including any documents submitted in support thereof, has been examined by me and, to the best of my knowledge and belief, is true, correct, and complete."

Fiduciary. A guardian, trustee, executor, administrator, receiver, conservator, or any person acting in any fiduciary capacity for any person.

Gallon. The liquid measure equivalent to the volume of 231 cubic inches.

Industrial use permit. The document issued pursuant to section 5271(a), I.R.C., authorizing the person named therein to deal in or use specially denatured alcohol or specially denatured rum or to recover denatured alcohol, specially denatured rum, or articles, as described therein.

I.R.C. The Internal Revenue Code of 1954, as amended.

Internal revenue officer. An officer or employee of the Internal Revenue Service duly authorized to perform any function relating to the administration or enforcement of this part.

Manufacturer or user. A person who holds an industrial use permit to use specially denatured alcohol or specially denatured rum or to recover completely or specially denatured alcohol, specially denatured rum, or articles.

Permittee. Any person holding an industrial use permit authorized under this part.

Person. An individual, trust, estate, partnership, association, company, or corporation.

Proof. The ethyl alcohol content of a liquid at 60 degrees Fahrenheit, stated as twice the percent of ethyl alcohol by volume.

Proof gallon. A gallon at 60 degrees Fahrenheit which contains 50 percent by volume of ethyl alcohol having a specific gravity of 0.7939 at 60 degrees Fahrenheit referred to water at 60 degrees Fahrenheit as unity, or the alcoholic equivalent thereof.

Proprietary solvents. Solvents containing more than 25 percent of alcohol by volume which are manufactured with specially denatured alcohol in accordance with formulations as authorized by this part.

Recover. To salvage, after use, specially denatured spirits, completely denatured alcohol without all of its original denaturants, or articles containing denatured spirits, if (1) such articles were made with specially denatured spirits and do not contain all of their original ingredients or (2) such articles were made with completely denatured alcohol and do not contain all of the original denaturants of the completely denatured alcohol.

Recovered article. An article containing specially denatured spirits salvaged without all of its original ingredients, or an article containing completely denatured alcohol salvaged without all of the denaturants for completely denatured alcohol.

Recovered denatured alcohol. Denatured alcohol (except completely denatured alcohol with all of the original denaturants remaining therein) which has been recovered.

Recovered denatured rum. Denatured rum which has been recovered.

Region. An internal revenue region.

Regional commissioner. A regional commissioner of internal revenue.

Restoration. Restoring to the original state (except that the restored material may or may not contain denaturants to the same extent as the original material) of recovered denatured alcohol, recovered specially denatured rum, or recovered articles containing denatured alcohol or specially denatured rum. Restoration includes bringing the alcohol content of the recovered product to 190 degrees of proof or more or to not less than the original proof if less than 190 degrees. Restoration also includes the removal of foreign materials by any suitable means.

Rum. Any spirits produced from sugar cane products and distilled at less than 190° proof in such manner that the spirits possess the taste, aroma, and characteristics generally attributed to rum.

Secretary. The Secretary of the Treasury.

Special industrial solvents. Proprietary solvents manufactured in accordance with authorized special industrial solvent formulations which, because of their composition, are restricted to industrial and manufacturing uses.

Specially denatured alcohol. Those spirits known as alcohol, as defined in this section, denatured pursuant to the specially denatured alcohol formulas authorized under Subpart D of Part 212 of this chapter.

Specially denatured rum. Those spirits known as rum, as defined in this section, denatured pursuant to the specially denatured rum formula authorized under Subpart D of Part 212 of this chapter.

Spirits or distilled spirits. Alcohol or rum as defined in this part.

Tank truck. A tank-equipped semitrailer, trailer, or truck, conforming to the requirements of this part.

This chapter. Chapter I, Title 26, Code of Federal Regulations.

U.S.C. The United States Code.

Withdrawal permit. The document issued pursuant to section 5271(a), I.R.C., authorizing the person named therein to withdraw specially denatured alcohol or specially denatured rum, as specified therein, from the premises of a distilled spirits plant or bonded dealer.

Subpart C—Administrative Provisions

AUTHORITIES

§ 211.21 Forms prescribed.

The Director is authorized to prescribe all forms required by this part. All of the information called for in each form shall be furnished, as indicated by the headings on the form and the instructions thereon or issued in respect thereto, and as required by this part.

(72 Stat. 1372; 26 U.S.C. 5273)

§ 211.22 Variations from requirements.

The Director may approve construction, equipment, and methods of operation, other than as specified in this part, where he finds that an emergency exists and the proposed variations from the specified requirements are necessary, and the proposed variations:

(a) Will afford the security and protection of the revenue intended by the prescribed specifications,

(b) Will not hinder the effective administration of this part, and

(c) Will not be contrary to any provision of law.

Variations from requirements granted under this section are conditioned on compliance with the procedures, conditions, and limitations with respect thereto set forth in the approval of the application. Failure to comply in good faith with such procedures, conditions, and limitations shall automatically terminate the authority for such variations and the proprietor thereupon shall fully comply with the prescribed requirements of regulations from which the variations were authorized. Authority for any variations may be withdrawn whenever in the judgment of the Director the revenue is jeopardized or the effective administration of this part is hindered by the continuation of such variation. Where a permittee desires to employ such variation, he shall submit a written application to do so, in triplicate, to the assistant regional commissioner for transmittal to the Director. The application shall describe the proposed variations and set forth the reasons therefor. Variations shall not be employed until the application has been approved.

§ 211.23 Formulas and processes.

Except as otherwise provided in this section, the Director is authorized to approve all formulas and processes submitted on Form 1479–A. The assistant regional commissioner is authorized to approve all formulas for rubbing alcohol compound submitted on Form 1479–A.

(72 Stat. 1372; 26 U.S.C. 5273)

§ 211.24 [Reserved]

§ 211.25 Allowance of claims.

The assistant regional commissioner is authorized to allow claims for losses of specially denatured alcohol or specially denatured rum.

§ 211.26 Permits.

The Director shall issue permits covering the use of specially denatured alcohol by the United States or a Governmental agency as provided in § 211.231. The assistant regional commissioner is authorized to issue all other industrial use permits and withdrawal permits required under this part.

§ 211.27 Bonds and consents of surety.

The assistant regional commissioner is authorized to approve all bonds and consents of surety required by this part.

§ 211.28 Right of entry and examination.

An internal revenue officer may enter during business hours, or at any time operations are being conducted, any premises on which operations governed by this part are carried on for the purpose of inspecting records and reports required to be maintained on such premises. Such officer may also inspect and take samples of denatured alcohol or specially denatured rum or articles (including any substances for use in the manufacture thereof), to which such records or reports relate.

(72 Stat. 1373; 26 U.S.C. 5275)

§ 211.29 Detention of containers.

Any internal revenue officer may detain any container containing, or supposed to contain, spirits, including denatured spirits and articles, when he has reason to believe that such spirits, denatured spirits, or articles were produced, withdrawn, sold, transported, or used in violation of law or this part; and every such container shall be held by him at a safe place until it shall be determined whether the property so detained is liable by law to be proceeded against for forfeiture; but such summary detention shall not continue in any case longer than 72 hours without process of law or intervention of the assistant regional commissioner, unless the person in possession of the container immediately prior to its detention, in consideration of the container being kept on his premises during detention, executes a waiver of the 72-hours limitation on detention of the container.

(72 Stat. 1375; 26 U.S.C. 5311)

ADVERTISING AND SALE

§ 211.30 Advertising.

It is not permissible to advertise, without any qualifying words, such as "Denatured" or "Completely Denatured" that "Alcohol" or "Rum", which has been denatured, is for sale.

(72 Stat. 1372; 26 U.S.C. 5273)

§ 211.31 Unlawful sale.

No person shall sell denatured alcohol or specially denatured rum or any substance or preparation made with or containing denatured alcohol or specially denatured rum for use, or for sale for use, for beverage purposes; nor shall any person sell any of such products under circumstances from which it might reasonably appear that it is the intention of the purchaser to procure the same for sale, or use, for beverage purposes. Similarly, no person shall sell or offer for sale for internal human use any medicinal preparations or flavoring extracts manufactured from denatured alcohol or specially denatured rum where any of the alcohol or rum remains in the finished product.

(72 Stat. 1314, 1372; 26 U.S.C. 5001, 5273)

LIABILITY FOR TAX

§ 211.32 Persons liable for tax.

Any person who produces, withdraws, sells, transports, or uses denatured alcohol, specially denatured rum, or articles in violation of laws or regulations pertaining thereto and all such denatured alcohol, specially denatured rum, or articles shall be subject to all provisions of law pertaining to alcohol or rum that is not denatured, including those requiring the payment of tax thereon; and the person so producing, withdrawing, selling, transporting, or using the denatured alcohol, specially denatured rum, or articles shall be required to pay such tax.

(72 Stat. 1314; 26 U.S.C. 5001)

DESTRUCTION OF MARKS AND BRANDS

§ 211.33 Time of destruction of marks and brands.

The marks and brands required by this chapter to be placed on packages containing denatured alcohol, specially denatured rum, or articles shall not be destroyed or altered until such denatured alcohol, specially denatured rum, or articles have been entirely removed from the packages. When such packages have been emptied, the marks and brands shall at once be completely effaced and obliterated. The marks on drums containing proprietary antifreeze solutions, proprietary solvents, and special industrial solvents shall be effaced and obliterated when the packages are emptied.

(72 Stat. 1358; 26 U.S.C. 5205)

DOCUMENT REQUIREMENTS

§ 211.34 Execution under penalties of perjury.

Any document required by this part to be executed under the penalties of perjury shall be signed by the bonded dealer or user or his duly authorized agent and shall include, immediately above the signature, a statement that it is executed under penalties of perjury, as defined in § 211.11.

(68A Stat. 749; 26 U.S.C. 6065)

§ 211.35 Filing of qualifying documents.

All documents returned to a permittee or other person as evidence of compliance with requirements of this part, or as authorizations shall, except as otherwise provided, be kept readily available for inspection by an internal revenue officer during business hours.

Subpart D—Qualification of Bonded Dealers and Users

APPLICATION FOR INDUSTRIAL USE PERMIT

§ 211.41 Application for bonded dealer permit.

Every person, except a proprietor of a distilled spirits plant who sells specially denatured alcohol or specially denatured rum stored at his plant premises, who desires to deal in specially denatured alcohol or specially denatured rum, or both, shall, before commencing business, make application for and obtain an industrial use permit, Form 1476. Application, Form 1474, and necessary supporting documents as required by this subpart, shall be filed with the assistant regional commissioner. All data, written statements, affidavits, and other documents submitted in support of the application shall be deemed to be a part thereof. Such application shall be accompanied by evidence which will establish the authority of the officer or other person who executes the application to execute the same and, where applicable, by the application for a withdrawal permit, Form 1477, required by § 211.131.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.42 Application for permit to use or recover.

Every person desiring to use specially denatured alcohol or specially denatured rum, or both, and every person desiring to recover denatured alcohol, specially denatured rum, or articles shall, before commencing business, make application for and obtain an industrial use permit, Form 1481. Application, Form 1479, and necessary supporting documents as required by this subpart for such permit shall be filed with the asistant regional commissioner. All data, written statements, affidavits, and other documents submitted in support of the application shall be deemed to be a part thereof. Such application shall be accompanied by evidence which will establish the authority of the officer or other person who executes the application to execute the same and by, where applicable, the application for a withdrawal permit, Form 1485, required by § 211.161.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.43 Data for application, Forms 1474 and 1479.

Each application on Form 1474 or 1479 shall include, as applicable, the following information:

(a) Serial number and purpose for which filed.

(b) Name and principal business address of applicant.

(c) Location of the dealer's or user's premises if different from the business address.

(d) Statement as to the type of business organization and of the persons interested in the business, supported by the items of information listed in § 211.53.

(e) Statement of operations showing the estimated maximum quantity in gallons of specially denatured alcohol or specially denatured rum to be on hand,

in transit, and unaccounted for at any one time and, in the case of users, a general statement as to the intended use to be made of the specially denatured alcohol or specially denatured rum, and whether recovery, restoration, and redenaturation processes will be used, and, if so, the estimated number of gallons of recovered denatured alcohol, recovered specially denatured rum, or recovered articles to be on hand at any one time.

(f) Listing of principal equipment to be used in manufacturing, packaging, and recovery processes, including processing tanks, storage tanks, bottling facilities, and equipment for the recovery, restoration (including the serial number, kind, capacity, name and address of owner, and intended use of distilling apparatus), and redenaturation of recovered denatured alcohol or specially denatured rum by users, and the size and complete description of the specially denatured alcohol or specially denatured rum storeroom or storage tanks.

(g) Trade names (see § 211.52).

(h) List of the offices, the incumbents of which are authorized by the articles of incorporation, by laws, or the board of directors to act on behalf of the applicant or to sign his name.

(i) On specific request of the assistant regional commissioner, furnish a statement showing whether any of the persons whose names and addresses are required to be furnished under the provisions of §§ 211.53(a)(2) and 211.53(c) have (1) ever been convicted of a felony or misdemeanor under Federal or State law, (2) ever been arrested or charged with any violation of State or Federal law (convictions or arrests or charges for traffic violations need not be reported as to subparagraphs (1) and (2) of this paragraph, if such violations are not felonies), or (3) ever applied for, held, or been connected with a permit issued under Federal law to manufacture, distribute, sell, or use spirits or products containing alcohol or rum, whether or not for beverage use, or held any financial interest in any business covered by any such permit, and, if so, give the number and classification of such permit, the period of operation thereunder, and state in detail whether such permit was ever suspended, revoked, annulled, or otherwise terminated.

Where any of the information required by paragraphs (d) through (h) of this section is on file with the assistant regional commissioner, the applicant may, by incorporation by reference thereto, state that such information is made a part of the application for an industrial use permit. The applicant shall, when so required by the assistant regional commissioner, furnish as part of his application for an industrial use permit such additional information as may be necessary for the assistant regional commissioner to determine whether the applicant is entitled to the permit.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.44 Exceptions to application requirements.

The assistant regional commissioner may, in his discretion, waive detailed application and supporting data requirements in the case of applications, Form 1479, filed by states or political subdivisions thereof, the District of Columbia, and other applicants where the amount of specially denatured spirits to be obtained does not exceed 60 gallons per year: *Provided,* That such waiver shall not include information required under paragraphs (a), (b), (c), and (e), and (f) as it relates to recovery, of § 211.43.

INDUSTRIAL USE PERMITS

§ 211.45 Conditions of permits.

Industrial use permits shall designate the acts which are permitted, and shall include any limitations imposed on the performance of such acts. All of the provisions of this part relating to the conduct of the business covered by the industrial use permit shall be deemed to be included in the provisions and conditions of the permit, the same as if set out therein. No permit shall be issued to use specially denatured alcohol or specially denatured rum unless the processes, formulas, articles, label, and advertising matter, when required to be submitted to the Director, have been approved by him.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.46 Duration of permits.

Industrial use permits are continuing unless automatically terminated by the terms thereof, suspended or revoked as provided in § 211.50, or voluntarily surrendered. The provisions of § 211.56 shall be deemed to be a part of the terms and conditions of all industrial use permits.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.47 Posting of permits.

Industrial use permits shall be kept posted available for inspection on the premises covered by the permit.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.48 Disapproval of application.

If, on examination of an application on Form 1474 or 1479, for an industrial use permit (or on basis of an inquiry or investigation with respect thereto), the assistant regional commissioner has reason to believe that—

(a) The applicant is not authorized by law and regulations issued pursuant thereto to withdraw or use specially denatured alcohol or specially denatured rum free of tax; or

(b) The applicant (including, in the case of a corporation, any officer, director, or principal stockholder, and, in the case of a partnership, a partner) is, by reason of his business experience, financial standing, or trade connections, not likely to maintain operations in compliance with Chapter 51, I.R.C., or regulations issued thereunder; or

(c) The applicant has failed to disclose any material information required, or has made any false statement as to any material fact, in connection with his application; or

(d) The premises on which the applicant proposes to conduct the business are not adequate to protect the revenue;

the assistant regional commissioner may institute proceedings for the disapproval of the application in accordance with the procedures set forth in Part 200 of this chapter.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.49 Correction of permits.

Where an error in an industrial use permit is discovered, the permittee shall, on demand of the assistant regional commissioner, immediately return the permit for correction.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.50 Suspension or revocation.

Whenever the assistant regional commissioner has reason to believe that any person holding an industrial use permit—

(a) Has not in good faith complied with the provisions of Chapter 51, I.R.C., or regulations issued thereunder; or

(b) Has violated the conditions of such permit; or

(c) Has made any false statements as to any material fact in his application therefor; or

(d) Has failed to disclose any material information required to be furnished; or

(e) Has violated or conspired to violate any law of the United States relating to intoxicating liquor or has been convicted of any offense under Title 26, U.S.C., punishable as a felony or of any conspiracy to commit such offense; or

(f) Is, by reason of his operations, no longer warranted in procuring, dealing in, or using the specially denatured alcohol or specially denatured rum authorized by this permit; or

(g) Has manufactured articles which do not correspond to the descriptions and limitations prescribed by law and regulations; or

(h) Has not engaged in any of the operations authorized by the permit for a period of more than 2 years;

the assistant regional commissioner may institute proceedings for the revocation or suspension of such permit in accordance with the procedures set forth in Part 200 of this chapter.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.51 Rules of practice in permit proceedings.

The regulations in Part 200 of this chapter are made applicable to the procedure and practice in connection with the disapproval of any application for an industrial use permit and in connection with the suspension and revocation of such permit.

§ 211.52 Trade names.

Where a trade name is to be used by an applicant or permittee, he shall list such trade name on Form 1474 or Form 1479, and the offices where such name is registered, supported by copies of any certificate or other document filed or issued in respect of such name. Operations shall not be conducted under a trade name until the permittee is in possession of an industrial use permit on Form 1476 or Form 1481 covering the use of such name.

§ 211.53 Organizational documents.

The supporting information required by paragraph (d) of § 211.43 includes, as applicable:

(a) *Corporate documents.* (1) Certified true copy of the certificate of incorporation, or certified true copy of certificate authorizing the corporation to operate in the State where the premises are located (if other than that in which incorporated).

(2) Certified list of names and addresses of officers and directors.

(3) Statement showing the number of shares of each class of stock or other evidence of ownership, authorized and outstanding, the par value thereof, and the voting rights of the respective owners or holders.

(b) *Articles of partnership.* True copy of the articles of partnership or association, if any, or certificate of partnership or association where required to be filed by any State, county, or municipality.

(c) *Statement of interest.* (1) Names and addresses of the 10 persons having the largest ownership or other interest in each of the classes of stock in the corporation, or other legal entity, and the nature and amount of the stockholding or other interest of each, whether such interest appears in the name of the interested party or in the name of another for him. If a corporation is wholly owned or controlled by another corporation, those persons of the parent corporation who meet the above standards are considered to be the persons interested in the business of the subsidiary and the names and addresses of such persons shall be submitted to the assistant regional commissioner on his specific request.

(2) In the case of an individual owner or partnership, name and address of every person interested in the business, whether such interest appears in the name of the interested party or in the name of another for him.

§ 211.54 Powers of attorney.

An applicant or permittee shall execute and file with the assistant regional commissioner a Form 1534, in accordance with the instructions on the form, for every person authorized to sign or to act on his behalf. (Not required for persons whose authority is furnished in accordance with § 211.43.)

CHANGES AFTER ORIGINAL QUALIFICATION

§ 211.55 Changes affecting applications and permits.

Where there is a change relating to any of the information contained in or considered as a part of the application on Form 1474 or Form 1479 for an industrial use permit, the permittee shall within 10 (except as otherwise provided in this subpart) file with the assistant regional commissioner a written notice, in duplicate, of the details of such change. In case of a change in officers or directors, the notice shall be supported by a certified list, in duplicate, of such changes. Such notice is not required where there is a change in respect of information waived by the assistant regional commissioner in the original application for an industrial use permit in accordance with the provisions of § 211.44 unless, in the case of a permittee other than a State, political subdivision thereof, or the District of Columbia, the quantity of specially denatured spirits to be obtained will exceed 60 gallons per year. Where the change affects the terms of an industrial use permit, the permittee shall file an application on Form 1474 or Form 1479, as the case may be, for an amended industrial use permit. Items which remain unchanged shall be marked "No change since Form 1474 (or Form 1479) Serial No. _____."

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.56 Automatic termination of permits.

(a) *Permits not transferable.* Industrial use permits shall not be transferred. In the event of the lease, sale, or other transfer of such a permit, the permit shall thereupon automatically terminate.

(b) *Corporations.* In the case of a corporation holding an industrial use permit, if actual or legal control of the permittee corporation changes, directly or indirectly, whether by reason of change in stock ownership or control (in the permittee corporation or in any other corporation), by operation of law, or in any other manner, the permittee shall, within 10 days of such change, give written notice thereof, executed under the penalties of perjury, to the assistant regional commissioner; such permit may remain in effect with respect to the operation covered thereby until the expiration of 30 days after such change, whereupon such permit shall automatically terminate: *Provided,* That if within such 30-day period an application for a new permit covering such operation is made, then the outstanding permit may remain in effect with respect to the continuation of the operation covered thereby until final action is taken on such application. When such final action is taken, such outstanding permit shall thereupon automatically terminate.

§ 211.57 Change in name of permittee.

Where there is to be a change in the individual, firm, or corporate name, the permittee shall file application on Form 1474 or Form 1479, as the case may be, to amend his industrial use permit. Operations may not be conducted under the new name prior to issuance of the amended permit.

§ 211.58 Change in trade name.

Where there is to be a change in, or addition of, a trade name, the permittee shall file application on Form 1474 or Form 1479, as the case may be, to amend his industrial use permit. A new bond or consent of surety will not be required. Operations may not be conducted under the trade name prior to issuance of the amended permit.

§ 211.59 Change in location.

When a permittee intends to move to a new location within the same region, he shall file application on Form 1474 or Form 1479, as the case may be, for an amended industrial use permit and, except in the case of a user not required to file bond, furnish a consent of surety on Form 1533, or a new bond to cover the new location. Business may not be commenced at the location prior to issuance of the amended permit.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.60 Adoption of documents by a fiduciary.

If the business is to be operated by a fiduciary, such fiduciary may, in lieu of qualifying as a new proprietor, file an application on Form 1474 or Form 1479, as the case may be, to amend his predecessor's industrial use permit, furnish a consent of surety on Form 1533 extending the terms of the predecessor's bond, if any, and adopt the formulas and processes of the predecessor. The effective date of the qualifying documents filed by a fiduciary shall coincide with the effective date of the court order or the date specified therein for him to assume control. If the fiduciary was not appointed by the court, the date of his assuming control shall coincide with the effective date of the qualifying documents filed by him.

§ 211.61 Change in proprietorship.

An industrial use permit shall not be transferred. In the event of a change in proprietorship of the business of a permittee (as for instance, by reason of incorporation, the withdrawal or taking in of one or more partners, or succession by any person who is not a fiduciary) the successor shall qualify in the same manner as the proprietor of a new business, except that he may adopt the formulas and processes of his predecessor.

§ 211.62 Adoption of formulas and processes, Forms 1479–A.

The adoption of formulas and processes, as provided in §§ 211.60 and 211.61, shall be in the form of a certificate, in quadruplicate, to be made a part of the application and submitted to the assistant regional commissioner, in which shall be set forth a list of all such approved articles or processes in which denatured spirits are used or recovered, the formulas of specially denatured spirits used, the laboratory number of the sample (if any), the date of approval, and the code number prescribed for the article or process. The certificate shall contain the name of the successor followed by the phrase "Formula of _____ (Name of predecessor) is hereby adopted." If it is desired to change the labels on such articles, other than to reflect the name of the successor, the permittee shall submit new labels or facsimiles thereof, attached to Form 1479–A, to the Director for approval.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.63 Continuing partnerships.

Where, under the laws of the particular State, the partnership is not terminated on death or insolvency of a partner, but continues until the winding up of the partnership affairs is completed, and the surviving partner has the exclusive right to the control and possession of the partnership assets for

the purpose of liquidation and settlement, such surviving partner may continue to withdraw and to deal in or use specially denatured spirits under the prior qualification of the partnership: *Provided,* That a consent of surety, wherein the surety and the surviving partner agree to remain liable on any bond given on Form 1475 or 1480, is filed. If such surviving partner acquires the business on completion of the settlement of the partnership, he shall qualify in his own name from the date of acquisition, as provided in § 211.61. The rule set forth in this section shall also apply where there is more than one surviving partner.

(72 Stat. 1349; 26 U.S.C. 5172)

REGISTRY OF STILLS

§ 211.64 Registry of stills.

The provisions of Part 196 of this chapter are applicable to stills located on the premises of a permittee. The listing of the stills on Form 1479 and the issuance of the industrial use permit shall constitute registration of the stills. The alternate use of a registered still or distilling apparatus for the distillation of a byproduct or chemical for which registry is not required will not require the filing of Form 26.

PERMANENT DISCONTINUANCE OF BUSINESS

§ 211.65 Notice of permanent discontinuance.

Where a permittee permanently discontinues business, he shall file with the assistant regional commissioner a letterhead notice to cover such discontinuance. Such notice shall be accompanied by the industrial use permit and any withdrawal permits issued to the permittee and by a report on Form 1478 or Form 1482, as the case may be, covering the discontinuance and marked "Final Report." The notice shall contain (a) a request that such permits be canceled, (b) a statement of the disposition made, as provided in §§ 211.254 and 211.257, of all denatured spirits, recovered denatured alcohol, and articles, and (c) the date of discontinuance. The bond of a permittee shall not be canceled until all specially denatured spirits and all articles manufactured therewith have been properly disposed of in accordance with the provisions of this part.

(72 Stat. 1370; 26 U.S.C. 5271)

Subpart E—Bonds and Consents of Surety

§ 211.71 Dealer's bond, Form 1475.

Every person filing an application on Form 1474 shall, before issuance of the industrial use permit, file bond, Form 1475, with the assistant regional commissioner. The penal sum of the bond shall be computed on each gallon of specially denatured alcohol and specially denatured rum authorized to be on hand, in transit to the premises of the bonded dealer, and unaccounted for at any one time, at double the rate prescribed by law as the internal revenue tax on a proof gallon of distilled spirits: *Provided,* That the penal sum of any such bond (or the total of the penal sums where original and strengthening bonds are filed) shall not exceed $100,000 nor be less than $10,000.

(72 Stat. 1314, 1372; 26 U.S.C. 5001, 5272)

§ 211.72 User's bond, Form 1480.

Every person filing an application on Form 1479 shall, before issuance of the industrial use permit, file bond, Form 1480, with the assistant regional commissioner; except that no bond will be required where the application is filed by a State, or any political subdivision thereof, or the District of Columbia, or where the quantity of specially denatured alcohol and specially denatured rum covered by an industrial use permit on Form 1481 does not exceed 60 gallons per annum and the quantity which may be on hand, in transit, or unaccounted for at any one time does not exceed 5 gallons. The penal sum of the bond shall be computed on each gallon of specially denatured alcohol or rum, including recovered or restored denatured alcohol or specially denatured rum, or recovered articles in the form of denatured spirits, authorized to be on hand, in transit to the premises of the user, and unaccounted for at any one time, at double the rate prescribed by law as the internal revenue tax on a proof gallon of distilled spirits: *Provided,* That the penal sums of bonds covering specially denatured alcohol formulas 18 and 19 shall be computed on each gallon at the rate prescribed by law as the tax on a proof gallon of distilled spirits. The penal sum of any such bond (or the total of the penal sums where original and strengthening bonds are filed) shall not exceed $100,000 or be less than $500.

(72 Stat. 1372; 26 U.S.C. 5272)

§ 211.73 Corporate surety.

Surety bonds required by this part may be given only with corporate sureties holding certificates of authority from, and subject to the limitations prescribed by, the Secretary as set forth in the current revision of Treasury Department Circular 570. Powers of attorney and other evidence of appointment of agents and officers to execute bonds or to consent to changes in the terms of bonds on behalf of corporate sureties are required to be filed with, and passed on by the Commissioner of Accounts, Surety Bonds Branch, Treasury Department.

(61 Stat. 648; 6 U.S.C. 6, 7)

§ 211.74 Deposit of securities in lieu of corporate surety.

In lieu of corporate surety, the principal may pledge and deposit, as surety for his bond, securities which are transferable and are guaranteed as to both interest and principal by the United States, in accordance with the provisions of 31 CFR Part 225.

(61 Stat. 650; 6 U.S.C. 15)

§ 211.75 Consents of surety.

Consents of surety to changes in the terms of bonds shall be executed on Form 1533 by the principal and by the surety with the same formality and proof of authority as is required for the execution of bonds.

§ 211.76 Strengthening bonds.

In all cases where the penal sum of any bond becomes insufficient, the principal shall either give a strengthening bond with the same surety to attain a sufficient penal sum or give a new bond to cover the entire liability. Strengthening bonds shall not be approved where any notation is made thereon which is intended or which may be construed to be a release of any former bond or as limiting the amount of any bond to less than its full penal sum. Strengthening bonds shall show the date of execution and the effective date, and be marked "Strengthening Bond."

(72 Stat. 1372; 26 U.S.C. 5272)

§ 211.77 Superseding bonds.

New bonds shall be required in case of insolvency or removal of any surety, and may, at the discretion of the assistant regional commissioner, be required in any other contingency affecting the validity or impairing the efficiency of the bond. Where, under the provisions of § 211.78, the surety on any bond given under this subpart has filed an application to be relieved of liability under said bond and the principal desires or intends to continue the transactions to which such bond relates, he shall file a valid superseding bond to be effective on or before the date specified in the surety's notice. Superseding bonds shall show the date of execution and the effective date, and be marked "Superseding Bond." If the principal does not file a new bond when required, he shall not conduct any operation under his permit.

(72 Stat. 1372; 26 U.S.C. 5272)

§ 211.78 Notice by surety of termination of bond.

A surety on any bond required by this part may at any time serve notice in writing on the principal and the assistant regional commissioner in whose office the bond is on file, that he desires, after a date named, to be relieved of liability under said bond. Such date shall be not less than 90 days after the date the notice is received by the assistant regional commissioner. This notice may not be given by an agent of the surety unless it is accompanied by a power of attorney, duly executed by the surety, authorizing him to give such notice, or by a statement, executed under the penalties of perjury, that such power of attorney is on file with the Commissioner of Accounts, Surety Bonds Branch, Treasury Department. The surety shall also file with the assistant regional commissioner an acknowledgment or other proof of service of such notice on the principal.

(72 Stat. 1372; 26 U.S.C. 5272)

§ 211.79 Termination of rights and liability under a bond.

If the notice of termination given by the surety is not thereafter in writing withdrawn, the rights of the principal as supported by the subject bond shall be terminated on the date named in the notice. The surety shall be relieved from his liability under a bond as to any operations which are wholly subsequent to: (a) The date named in a notice of ter-

mination (§ 211.78); (b) the effective date of a superseding bond (§ 211.77); or (c) the date of approval of the discontinuance of operations by the principal. If the principal fails to file a valid superseding bond prior to the date on which the surety desires to be relieved from liability under the bond, the surety, notwithstanding his release from liability as specified in paragraph (a) of this section, shall continue to remain liable under the bond for all specially denatured spirits or articles on hand or in transit to the principal on said date until the same have been lawfully disposed of or a new bond has been filed by the principal covering the same.

(72 Stat. 1372; 26 U.S.C. 5272)

§ 211.80 Release of pledged securities.

Securities of the United States, pledged and deposited as provided in § 211.74, shall be released only in accordance with the provisions of 31 CFR Part 225. When the assistant regional commissioner is satisfied that they may be released, he shall fix the date or dates on which a part or all of such securities may be released. At any time prior to the release of such securities the assistant regional commissioner may extend the date of release for such additional length of time as he deems necessary.

(61 Stat. 650; 6 U.S.C. 15)

Subpart F—Premises and Equipment

§ 211.91 Premises.

A permittee shall have premises suitable for the business being conducted and adequate for the protection of the revenue. When specially denatured spirits are to be stored, storage facilities shall be provided on the premises for such spirits received or recovered thereon. These storage facilities shall consist of storerooms or stationary storage tanks (not necessarily in a room or building), or a combination thereof. Where a user receives specially denatured spirits by tank car or tank truck only and all such spirits received are to be stored therein under the authority of the assistant regional commissioner, as provided in § 211.168, such storage shall be deemed to be compliance with this section. Where specially denatured spirits are to be received at or removed from a permittee's premises in bulk conveyances, suitable facilities for such operations shall be provided.

(72 Stat. 1372; 26 U.S.C. 5273)

§ 211.92 Storerooms.

Storerooms shall be so constructed and secured as to prevent unauthorized access, and the entrance doors shall be so equipped that they may be locked on the outside. A sign shall be placed on or near the entrance door of the storeroom of a bonded dealer or user bearing, in plain and legible letters, the words "Specially Denatured Alcohol (and/or Rum) Storeroom," or an appropriate abbreviation thereof. If more than one such storeroom is provided, each shall be designated alphabetically and such designation shall appear on the sign.

(72 Stat. 1372, 1395; 26 U. S. C. 5273, 5552)

§ 211.93 Storage tanks.

Each stationary tank used for the storage of specially denatured spirits shall be equipped for locking in such a manner as to control access to the denatured spirits. Means shall be provided whereby the contents can be accurately measured. Each such tank shall be durably marked to show its serial number, capacity, and use. The marks for underground tanks shall be placed at a convenient and suitable location.

(72 Stat. 1372; 26 U.S.C. 5273)

EQUIPMENT FOR RECOVERY AND RESTORATION OF DENATURED SPIRITS

§ 211.94 Stills and other equipment.

If recovered denatured spirits or articles are to be restored on the user's premises, all equipment to be used shall be located on the permit premises. Distilling apparatus or other equipment, including pipelines, for such restoration or for recovery shall be constructed and secured in such a manner as to prevent unauthorized access to the denatured spirits and so arranged as to be readily inspected.

(72 Stat. 1395; 26 U.S.C. 5552)

§ 211.95 Recovered and restored denatured spirits tanks.

Suitable storage tanks shall be provided for recovered and restored denatured spirits. Each such tank shall bear an identifying number and be durably marked to show its serial number, capacity, and use, and shall be provided with locking facilities to prevent access to the contents. Means shall be provided whereby the contents can be accurately measured.

(72 Stat. 1395; 26 U.S.C. 5552)

§ 211.96 Denaturing material storage facilities.

Where the user desires to store denaturants, he shall provide a separate storage tank or storeroom constructed in accordance with §§ 211.92 and 211.93. The assistant regional commissioner may require such storage facilities to be secured with Government locks and/or seals.

Subpart G—Formulas and Processes

§ 211.101 General.

(a) *Form 1479–A.* Every person desiring to use specially denatured spirits or to recover denatured spirits or articles, shall, except where previously approved formulas are adopted or as provided in § 211.102, submit on Form 1479–A, directly to the Director, a description of each process or formula; a separate Form 1479–A shall be used for each such formula or process. In the case of articles to be manufactured with specially denatured spirits, quantitative formulas and processes shall be given. The preparation of Form 1479–A shall be in accordance with the headings and the instructions thereon.

(b) *Previously approved Forms 1479–A.* Any person who intends to use previously approved formulas and processes, Forms 1479–A, on and after July 1, 1960, shall submit a list, in quadruplicate, of all such approved Forms 1479–A which he intends to continue using. The list shall show, as to each Form 1479–A, the article or process in which denatured spirits are used or recovered, the formula of specially denatured spirits, the laboratory number of the sample (if any), the date of approval, and the code number prescribed for the article or process.

(72 Stat. 1369, 1372; 26 U.S.C. 5241, 5273)

§ 211.102 Formulas for rubbing alcohol compound.

Persons desiring to produce rubbing alcohol compound shall submit a quantitative formula on Form 1479–A to the assistant regional commissioner for each such compound to be produced by them. The labels to be used on such compound shall be attached to each copy of Form 1479–A.

(72 Stat. 1372; 26 U.S.C. 5273)

§ 211.103 Formulas for proprietary antifreeze solutions.

All persons desiring to produce proprietary antifreeze solutions with completely denatured alcohol pursuant to § 211.122 shall submit a quantitative formula on Form 1479–A directly to the Director for each such solution and shall comply with the applicable provisions of § 211.106.

(72 Stat. 1372; 26 U.S.C. 5273)

§ 211.104 Reprocessors.

All persons desiring to reprocess products such as bay rum, hair lotions, dry shampoos, deodorant sprays, skin lotions, perfumes, toilet waters, and similar products shall submit quantitative formulas and processes on Form 1479–A directly to the Director.

(72 Stat. 1372; 26 U.S.C. 5273)

§ 211.105 Statement of process.

Where specially denatured spirits are used in a manufacturing process in which none of the specially denatured spirits remains in the finished product, or where specially denatured spirits, completely denatured alcohol or articles are used in a manufacturing process and are to be recoverd, such process shall be completely described on Form 1479–A. If recovered denatured spirits are to be redenatured the process of redenaturation shall be described. Flow diagrams shall be submitted, in quadruplicate, covering the manufacturing and recovery processes. The flow diagrams shall clearly depict equipment in its relative operating sequence, with essential connecting pipelines and valves. All major equipment shall be identified as to its use. The direction of flow through the pipelines shall be indicated by arrows.

(72 Stat. 1372; 26 U.S.C. 5273)

§ 211.106 Labels and advertising matter for articles.

Samples of labels or facsimiles thereof (or sketches, subject to the filing of the actual labels, if approved) shall be attached to each copy of the Form 1479–A

covering articles which contain denatured spirits. Advertising matter for such articles shall also be attached when required by this part or by the Director. Where permittees change labels, or provide new labels for such articles, the formula for which has been previously approved, samples of the changed or new labels or facsimiles thereof (or sketches, subject to the filing of the actual labels, if approved) shall be submitted, attached to Form 1479–A, in quadruplicate, to the Director for approval: *Provided*, That where the change in label is only to reflect a change in name or location, the new label need not be submitted. Where the formula is not changed, it need not be restated on Form 1479–A, but the form should be marked "For label approval only," and should give the name under which the article was previously approved, the laboratory number of the approved sample, if any, and the date of approval. Samples of labels and advertising matter for articles which do not contain denatured spirits need be submitted only when required by the Director. The approval of labels by the Director is limited to only the manufacturing data and information required by this part, and does not extend to the information on the label relative to the brand name of the article, directions for use, claims of efficiency or strength, or other statements. Such approvals are made with the following wording: "Approved as Conforming to 26 CFR Part 211".

(72 Stat. 1372; 26 U.S.C. 5273)

§ 211.107 Samples of articles.

Where it is desired to manufacture articles (except rubbing alcohol compounds, proprietary solvents, and special industrial solvents) containing specially denatured spirits, or proprietary antifreeze containing completely denatured alcohol, duplicate 8-ounce samples of all such articles shall be submitted, in connection with Form 1479–A, directly to the Director: *Provided*, That where perfumes contain more than 6 ounces of perfume oils per gallon, duplicate 2-ounce samples of the finished product will be sufficient. Where the applicant proposes to use purchased mixtures of oils and ingredients, the composition of which is unknown to him, duplicate 1-ounce samples of the oils or ingredients shall be submitted with the samples of the finished product.

(72 Stat. 1372; 26 U.S.C. 5273)

§ 211.108 Approval or disapproval of samples, formulas, processes, labels, and advertising matter.

In addition to the limitations in this part, and where necessary to protect the revenue, the Director may, in approving Forms 1479–A, specify thereon the size of containers in which any article may be sold and the maximum quantity that may be sold to any person at one time, and may restrict the sale of articles to a specific class of vendee and for a specific use. Approval by the Director of samples, formulas, processes, labels, and advertising matter shall mean only that they conform to the standards of the Internal Revenue Service, and such approval shall in no way require the assistant regional commissioner to issue an industrial use permit to use specially denatured spirits in such processes, formulas, or articles. A change in container size only does not necessitate resubmission of the formula and label. All processes, formulas, and samples of articles submitted to the Internal Revenue Service shall be treated as confidential by its employees.

(72 Stat. 1370, 1372; 26 U.S.C. 5271, 5273)

Subpart H—Sale and Use of Completely Denatured Alcohol

§ 211.111 General.

Completely denatured alcohol may be sold and used for any lawful purpose. Persons distributing and using (but not recovering for reuse) completely denatured alcohol are not required to obtain a permit or to file bond under this part. Persons recovering completely denatured alcohol for reuse shall procure an industrial use permit in accordance with Subpart D of this part and file bond in accordance with Subpart E of this part. Containers of products manufactured with completely denatured alcohol, such as proprietary antifreeze preparations, solvents, thinners, and lacquers, shall not be branded as completely denatured alcohol nor shall any such product be advertised, shipped, sold, or offered for sale as completely denatured alcohol.

(72 Stat. 1362, 1369, 1372; 26 U.S.C. 5214, 5241, 5273)

§ 211.112 Marks on bulk conveyances.

Where completely denatured alcohol is to be shipped in bulk conveyances, the consignor shall securely attach to the route board a label (coated with transparent shellac or otherwise adequately protected) to identify each car, truck, or compartment, showing the name, location (city or town and State) of both the consignor and consignee, the quantity in gallons, and the formula number of the completely denatured alcohol.

§ 211.113 Consignor's responsibility for bulk conveyances.

Before filling any bulk conveyance, the consignor shall examine it to ascertain that it is suitable for its intended use, and shall refrain from, or discontinue, using any such conveyance found to be unsuitable.

(72 Stat. 1360, 1372; 26 U.S.C. 5206, 5273)

§ 211.114 Pipeline transfers.

On approval of the assistant regional commissioner, completely denatured alcohol may be transferred by pipeline from the premises of denaturers to premises of distributors and of persons using it in manufacturing processes. Letterhead application (in triplicate) for authority to transfer by pipeline shall be submitted by the consignee, and shall contain the following information:

(a) Name and address of the denaturer from whom it is desired to procure the completely denatured alcohol,

(b) Quantity to be received,

(c) Reasons for desiring to receive the completely denatured alcohol by pipeline, and

(d) Use to be made of the completely denatured alcohol.

The application may be made for continuing authority.

(72 Stat. 1372; 26 U.S.C. 5273)

§ 211.115 Receipt.

Unless the completely denatured alcohol received in bulk conveyances or by pipeline is to be used immediately, it shall be deposited in storage tanks or drawn into packages which shall be marked as required by this subpart.

§ 211.116 Packages of completely denatured alcohol.

Packages containing more than 5 gallons of completely denatured alcohol shall be of metal or other equally suitable material approved by the Director. The openings of all such packages shall be sealed with appropriate seals furnished by the person filling the packages. Seals on such number of packages as may be necessary for ordinary business requirements may be broken in order to permit legitimate sale or use.

(72 Stat. 1372; 26 U.S.C. 5273)

§ 211.117 Encased containers.

Completely denatured alcohol may be packaged by distributors in unlabeled containers which are completely encased in wood, fiberboard, or similar material in such a manner that the surface (including opening) of the actual container is not exposed; the required marks or label shall be applied to an exposed surface of the case. The case shall be so constructed that the portion containing the marks will be securely attached to the encased container until all of the contents have been removed therefrom. A statement reading "Do Not Remove Inner Container Until Emptied," or of similar import, shall be placed on the portion of the case bearing the marks.

(72 Stat. 1360; 26 U.S.C. 5206)

§ 211.118 Marking packages.

All packages of completely denatured alcohol having a capacity in excess of 1 gallon shall have marked or labeled on the head of the package or side of the container or casing the name and address of the person filling the same, the contents in gallons, the apparent proof, the words "Completely Denatured Alcohol," and the formula number. Packages of 5 gallons or less shall also bear labels as required by § 211.121. Packages of more than 5 gallons shall bear a serial number. The letters and figures shall be large enough to be easily read and, when printed, labeled, or stenciled, shall be in permanent ink, and in a color distinctly in contrast to the color used as a background. The brand name and a statement indicating the character of the merchandise may also be shown on the package, if it is so placed as not to obscure or detract from the prescribed data. When packages are filled, Form 1467 shall be prepared. A separate sheet shall be used for each formula and the

forms shall be filed in numerical order according to the serial numbers of the packages.

§ 211.119 Numbering of packages.

Packages having a capacity of more than 5 gallons filled under this subpart shall be consecutively numbered commencing with number 1. When the numbering in any series reaches "1,000,000," the series may be recommenced. The recommenced series shall be given an alphabetical prefix or suffix.

§ 211.120 Illustration of marks.

The following cut illustrates the prescribed marks and the suggested order and manner in which they should be placed on packages.

86879
John Doe Distributing Co.
New Orleans, La.

Completely Denatured Alcohol
Formula No. 18

55 Gals.
190 Proof

§ 211.121 Labels.

Each container of completely denatured alcohol containing 5 gallons or less sold or offered for sale by a distributor shall be labeled to show in plain legible letters (red on white) the words "Completely Denatured Alcohol" and the following statement: "Completely denatured alcohol; contains ingredients which render the product wholly unfit for beverage purposes; if taken internally, will cause serious consequences to health." The name and address of the distributor filling the package shall be shown on such label, unless otherwise shown on the package, but no other extraneous matter shall be permitted thereon without the approval of the Director. The word "pure," qualifying denatured alcohol, will not be permitted to appear on the label or container. These requirements concerning labels shall apply also to proprietors of garages, paint shops, hardware stores, gasoline filling stations, and other retailers of completely denatured alcohol.

§ 211.122 Manufacture of proprietary antifreeze solutions.

Proprietary antifreeze solutions may be made with completely denatured alcohol for sale under brand names: *Provided,* That materials (such as dye, rust inhibitor, or a petroleum distillate), satisfactory to the Director, are added in sufficient quantities to materially change the composition and character of the completely denatured alcohol. Such solutions are not classified as completely denatured alcohol and shall not be marked, branded, or sold as completely denatured alcohol. Formulas and advertising matter shall be submitted to the Director in accordance with the provisions of Subpart G of this part.

(72 Stat. 1362; 26 U.S.C. 5214)

§ 211.123 Containers for proprietary antifreeze solutions.

Producers and distributors may package proprietary antifreeze solutions made with completely denatured alcohol in containers of metal or other equally suitable material approved by the Director. Each such container shall be marked, by stenciling or otherwise, with the name and address of the producer or of the distributor, and, in the case of containers of more than five gallons, by a serial number as provided in § 211.119 and by the brand name under which the product is sold. Proprietary antifreeze solutions may also be shipped in bulk conveyances.

(72 Stat. 1362; 26 U.S.C. 5214)

§ 211.124 Packaging of proprietary antifreeze solutions by retailers.

Retailers may package proprietary antifreeze solutions in containers having a capacity of not more than 5 gallons, provided the containers are marked or labeled to show the name and address of the retailer.

§ 211.125 Records.

Records of transactons in completely denatured alcohol and proprietary antifreeze made with completely denatured alcohol shall be maintained in the manner prescribed in §§ 211.261 and 211.262 respectively.

(72 Stat. 1373; 26 U.S.C. 5275)

Subpart I—Operations by Bonded Dealers in Specially Denatured Spirits

PROCUREMENT OF SPECIALLY DENATURED SPIRITS

§ 211.131 Application for withdrawal permit.

Where a bonded dealer desires to procure specially denatured alcohol or specially denatured rum, he shall file application on Form 1477 with the assistant regional commissioner for withdrawal permit. The application shall show the date and the estimated quantity of specially denatured alcohol or specially denatured rum necessary to carry on the business during a period of one year. A permittee may, if he so desires, file applications for more than one withdrawal permit and have his annual withdrawals divided among such permits.

§ 211.132 Issuance and duration of withdrawal permit.

If the application submitted in accordance with § 211.131 is approved, the assistant regional commissioner shall issue withdrawal permit on Form 1477 and shall forward the original to the bonded dealer. Withdrawal permits on Form 1477 shall terminate on October 31 of each year: *Provided,* That a permit issued on or after May 1 of any year shall remain in effect through October 31 of the following year.

§ 211.133 Application for and renewal of withdrawal permit.

Application on Form 1477 for renewal of a withdrawal permit shall be submitted by the permittee to the assistant regional commissioner not less than three months prior to the date of expiration of the permit to be renewed in order that the renewal permit may be issued and become available for withdrawals by the following November 1. The provisions of §§ 211.131 and 211.132 with respect to application for and issuance of withdrawal permits, respectively, are applicable to the renewal of such permits.

§ 211.134 Denial, correction, suspension or revocation, changes after original qualification, and automatic termination of withdrawal permit.

All of the provisions of Subpart D of this part with respect to the denial, correction, suspension or revocation, and changes after original qualification, the rules of practice in permit proceedings, and the automatic termination of industrial use permits are applicable to withdrawal permits.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.135 Cancellation of withdrawal permit.

Should an industrial use permit on Form 1476 be terminated or surrendered, or should a withdrawal permit on Form 1477 be revoked, the withdrawal permit issued to the bonded dealer shall be returned immediately to the assistant regional commissioner for cancellation.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.136 Withdrawals under permit.

When a bonded dealer desires to procure specially denatured alcohol or specially denatured rum, he shall forward the withdrawal permit to the denaturer or bonded dealer from whom he will procure the specially denatured alcohol or specially denatured rum. Shipments shall not be made by the consignor until he is in possession of a valid withdrawal permit, nor shall shipments exceed the quantity authorized by such permit. On shipment, the consignor shall enter the transaction on the permit and return it to the bonded dealer, unless he has been authorized to retain it for the purpose of making future shipments.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.137 Shipment for account of bonded dealer.

A bonded dealer may order specially denatured spirits shipped directly from a denaturer or another bonded dealer to his customers (bonded dealer or user) if he obtains a consent of surety, Form 1533, extending the terms of his bond, Form 1475, to cover the transportation of the specially denatured spirits from the consignor's premises to the consignee's premises. The bonded dealer's withdrawal permit, Form 1477, and the consignee's withdrawal permit, Form 1477 or Form 1485, as the case may be, shall be forwarded to the person actually making the shipment of specially denatured spirits.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.138 Regulation of withdrawals.

Withdrawals by a bonded dealer shall not exceed the quantity authorized by his permit on Form 1477 and shall be so regulated by him that he will not have on hand, in transit, and unaccounted for at any one time more than the quantity of specially denatured alcohol or specially denatured rum shown in his application on Form 1474 for an industrial use permit. For this purpose, spe-

cially denatured alcohol or specially denatured rum shall be deemed to be unaccounted for if lost under circumstances where a claim for allowance is required by this part and has not been allowed or if disposed of otherwise than as provided in this part.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.139 Receipt of specially denatured spirits.

Specially denatured spirits received in bulk conveyances or by pipeline from a denaturer's or bonded dealer's premises shall be deposited in storage tanks provided for in § 211.91 or drawn into packages marked or labeled as required by § 211.142. The formula number of the specially denatured spirits deposited in tanks shall be shown on each tank or, in the case of underground tanks, at a convenient and suitable location. Portable containers received or filled by the bonded dealer shall be deposited in a storeroom provided for in § 211.91. On receipt, the bonded dealer shall ascertain and account for any losses in transit in accordance with Subpart M of this part, receipt for the shipment on both copies of Form 1473 received from the consignor, noting thereon any loss or deficiency in the shipment, forward one copy to the assistant regional commissioner of his region, and file the other copy in chronological order, by months.

(72 Stat. 1370; 26 U.S.C. 5271)

FILLING OF PACKAGES OF SPECIALLY DENATURED ALCOHOL OR SPECIALLY DENATURED RUM BY BONDED DEALERS

§ 211.140 Packaging by bonded dealers.

Bonded dealers may package specially denatured alcohol or specially denatured rum in containers of such sizes as may be necessary for the proper conduct of their business. After filling drums, the bonded dealer shall seal all openings therein with seals furnished by him.

§ 211.141 Encased containers.

Specially denatured spirits may be packaged by bonded dealers in unlabeled containers which are completely encased in wood, fiberboard, or similar material in such a manner that the surface (including opening) of the actual container is not exposed. When so packaged the required marks shall be applied to an exposed surface of the case. The case shall be so constructed that the portion containing the marks will be securely attached to the encased container until all of the contents have been removed therefrom. A statement reading "Do Not Remove Inner Container Until Emptied", or of similar import, shall be placed on the portion of the case bearing the marks.

(72 Stat. 1360; 26 U.S.C. 5206)

§ 211.142 Marks and brands on containers of specially denatured spirits.

When packages of specially denatured spirits are filled by a bonded dealer, he shall accurately determine the contents of each package. Each such package shall be marked or labeled to show, on the head of the package or side of the container or casing, the quantity in gallons, the serial number, the name and address (city or town and State) of the bonded dealer, his permit number, the words "Specially Denatured," followed by the word designating the kind of spirits such as "Alcohol" or "Rum" and the formula number. Where the spirits were denatured at other than 190 proof, the proof at which denatured shall also be marked on the package. Where alcohol was denatured under a formula authorizing a choice of denaturants, the package shall be marked or labeled to show the denaturants used and, where the formula authorizes a choice of quantities of denaturants, the quantity used shall be shown. The bonded dealer may show the brand name and may place caution notices and other material required by Federal or State law and regulations on the Government head or side if such name or attachments do not interfere with or detract from the markings required by this subpart. No other marks shall be placed on the Government head or side except as authorized by the Director.

(72 Stat. 1360; 26 U.S.C. 5206)

§ 211.143 Numbering of packages.

All packages containing specially denatured alcohol filled by a bonded dealer shall be consecutively numbered commencing with "1" and continuing in regular sequence, except that the current series may be continued. All packages containing specially denatured rum shall be separately numbered in a similar manner. When the numbering of any series reaches "1,000,000," the bonded dealer may recommence the series. The recommenced series shall be given an alphabetical prefix or suffix. Where there is a change in proprietorship, or in the individual, firm, corporate name, or trade name, the series in use at the time of such change may be continued.

§ 211.144 Illustration of marks.

The following cut illustrates the prescribed marks and the suggested order and manner in which they should be placed on packages.

182896

John Doe and Co.
New Orleans, La.
SDA–LA–123–D

Specially Denatured Alcohol

Formula No. 28–A
54 Gal.
P. 200

§ 211.145 Form 1467.

When packages are filled with specially denatured alcohol or specially denatured rum, the bonded dealer shall prepare Form 1467. A separate sheet shall be used for each formula of specially denatured alcohol and for formula No. 4 made with specially denatured rum. The bonded dealer shall file the forms in numerical order according to the serial number of the packages.

DISPOSITION OF SPECIALLY DENATURED SPIRITS

§ 211.146 General.

A bonded dealer may, pursuant to withdrawal permit on Form 1485 or Form 1477, as the case may be, dispose of specially denatured spirits to manufacturers using such spirits and to other bonded dealers. Samples of specially denatured spirits may be dispensed to persons as provided in § 211.281. Specially denatured spirits shall not be shipped to a manufacturer or a bonded dealer until the shipping bonded dealer receives the withdrawal permit, Form 1485 or Form 1477, issued to the consignee. Bonded dealers shall not ship specially denatured spirits in excess of the quantities set forth in such withdrawal permit.

§ 211.147 Bulk shipments.

(a) *Use.* Bonded dealers may ship specially denatured spirits in bulk conveyances. Such bulk conveyances shall be sealed at the time of filling by the bonded dealer with railroad or other appropriate seals dissimilar in marking from cap seals used by the Internal Revenue Service. Specially denatured alcohol or specially denatured rum from only one consignor may be placed in any one compartment of a bulk conveyance. Not less than the entire contents of any one compartment may be delivered to any one consignee at any one premises.

(b) *Construction of bulk conveyances.* Bulk conveyances shall conform to the following:

(1) All openings (including valves) shall be so constructed that they may be sealed to prevent unauthorized access to the contents of the conveyances, except that outlet valves or other openings to or from tank cars may be constructed in such a manner that they may be closed and securely fastened on the inside.

(2) If the conveyance has two or more compartments, the outlets of each shall be so equipped that delivery of any compartment will not afford access to the contents of any other compartment.

(3) Each compartment shall be so arranged that it can be completely drained.

(4) Each tank car or tank truck shall have permanently and legibly marked thereon its number, capacity in gallons, and the name or symbol of its owner. If the tank car or truck consists of two or more compartments, each compartment shall be identified and the capacity of each shall be marked thereon.

(5) Permanent facilities shall be provided on tank trucks to permit ready examination of manholes or other openings.

(6) A route board, or other suitable device, for carrying the required labels shall be provided on each bulk conveyance.

(7) Calibrated charts, certified by recognized authorities, showing the capacity of each compartment in gallons for each inch of depth, shall accompany each tank truck, tank ship, or barge.

(c) *Marks on bulk conveyances.* The bonded dealer shall securely attach to the route board or other suitable device a label (coated with transparent shellac or otherwise adequately protected) to further identify each car, truck, or compartment, showing the name, permit number, and location (city or town and State) of both the consignor and the consignee, the date of shipment, the words

"Specially Denatured Alcohol" or "Specially Denatured Rum," as the case may be, the quantity in gallons, and the formula number of the specially denatured alcohol or specially denatured rum contained in each compartment.

(d) *Bonded dealer's responsibility.* Before filling any bulk conveyance, the bonded dealer shall examine it to ascertain that it meets the requirements of this section, and he shall refrain from, or discontinue, using any such conveyance found to be unsuitable.

§ 211.148 Form 1473.

On shipment of specially denatured spirits the bonded dealer shall prepare a notice of shipment, Form 1473, in quadrduplicate for intraregional shipments and in quintuplicate for interregional shipments. If the shipment is for the account of another bonded dealer, an extra copy will be made. Where the proof of the spirits used in producing specially denatured spirits is other than 190 degrees, it shall be shown on Form 1473. Where shipments are made in tank cars, tank trucks, or consist of barrels or drums in carload lots, the name of the carrier and the number of the car or tank truck shall be entered on the form. If shipments are made for the account of another bonded dealer, as provided in § 211.137, a statement to that effect, followed by the name and address of the bonded dealer for whose account the shipment is made, shall also be shown on the form and the extra copy of the form shall be forwarded to him for his records. On shipment of the specially denatured spirits the bonded dealer shall send the original of Form 1473 to the assistant regional commissioner of his region (original and one copy in the case of interregional shipments) and two copies to the consignee, except in case of shipments by trucks. In the case of shipments by trucks he shall enclose the two copies in a sealed envelope addressed to the consignee and give the same to the driver of the truck for delivery to the consignee. He shall file the remaining copy of Form 1473.

§ 211.149 Records and reports.

In addition to the records and reports required by this subpart, bonded dealers shall keep records and render reports as required in Subpart O of this part.

Subpart J—Operations by Users of Specially Denatured Spirits

PROCUREMENT OF SPECIALLY DENATURED SPIRITS

§ 211.161 Application for withdrawal permit.

Where a user desires to procure specially denatured alcohol or specially denatured rum or both, he shall file an application on Form 1485 with the assistant regional commissioner for a withdrawal permit. The application shall show the total quantity of each formula of specially denatured alcohol or rum to be withdrawn during a period of one year, and the total quantity of each such formula it is desired to withdraw during any one calendar month. The total quantity to be withdrawn during a year shall not be more than is sufficient to meet the bona fide business needs of the applicant. Where the applicant desires to withdraw more than one-sixth of his annual requirements during any month, he should state his needs and furnish sufficient information for the assistant regional commissioner to determine whether such withdrawals should be authorized. A user may, if he so desires, file applications for more than one withdrawal permit and have his total annual withdrawals divided among such permits.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.162 Issuance and duration of withdrawal permit.

If the application submitted in accordance with § 211.161 is approved, the assistant regional commissioner shall issue withdrawal permit on Form 1485 and shall forward the original to the permittee. Withdrawal permits on Form 1485 shall terminate on October 31 of each year: *Provided,* That a permit issued on or after May 1 of any year shall remain in effect through October 31 of the following year. Withdrawal permits shall be returned to the assistant regional commissioner within 30 days after expiration.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.163 Application for and renewal of withdrawal permit.

Application on Form 1485 for renewal of a withdrawal permit expiring October 31 of a year shall be submitted by the permittee to the assistant regional commissioner on or before July 10 of such year in order that the renewal permit may be issued and become available for withdrawals by November 1. The user's report on Form 1482 which is required to be submitted on or before July 10 shall be submitted with the renewal application. The provisions of §§ 211.161 and 211.162 with respect to application for and issuance of withdrawal permits, respectively, are applicable to the renewal of such permits.

§ 211.164 Denial, correction, suspension or revocation, changes after original qualification, and automatic termination of withdrawal permit.

All of the provisions of subpart D with respect to the denial, correction, suspension or revocation, and changes after original qualification, the rules of practice in permit proceedings, and the automatic termination of industrial use permits are applicable to withdrawal permits.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.165 Cancellation of withdrawal permit.

Should an industrial use permit on Form 1481 be terminated or surrendered, or should the withdrawal permit on Form 1485 issued to the user be revoked, the withdrawal permit shall be returned immediately to the assistant regional commissioner for cancellation.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.166 Withdrawals under permit.

When the user desires to procure specially denatured alcohol or specially denatured rum, he shall forward the withdrawal permit to the denaturer or bonded dealer from whom he will procure the specially denatured alcohol or specially denatured rum. Shipments shall not be made by the consignor until he is in possession of a valid withdrawal permit, nor shall shipments exceed the quantity authorized by such permit. On shipment, the denaturer or bonded dealer shall enter the transaction on the permit and return it to the user, unless he has been authorized to retain it for the purpose of making future shipments.

§ 211.167 Regulation of withdrawals.

Withdrawals by a user shall not exceed the quantity authorized by his permit on Form 1485 and shall be so regulated by him that he will not have on hand, in transit, and unaccounted for at any one time more than the quantity of specially denatured spirits, including the quantity of recovered or restored denatured alcohol or specially denatured rum, and recovered or restored articles (which are in the form of denatured spirits) shown in his application on Form 1479 for an industrial use permit. For this purpose, specially denatured spirits, recovered or restored denatured alcohol or specially denatured rum, and recovered or restored articles (which are in the form of denatured spirits) shall be deemed to be unaccounted for if lost under circumstances where a claim for allowance is required by this part and has not been allowed or if used or disposed of otherwise than as provided in this part.

§ 211.168 Receipt of specially denatured spirits.

Specially denatured spirits received on the premises of a user in portable containers shall not be transferred to other portable containers for storage, except that the contents of damaged packages may be transferred to new containers to avoid loss or waste, or the contents of certain containers may be transferred to "safety" containers to comply with city or State fire code regulations or, on notice to the assistant regional commissioner, to comply with safety practices of the permittee. The new packages shall be labeled or otherwise marked to show the information marked on the original packages and be identified as repackaged. Specially denatured spirits received in portable containers such as drums or barrels shall, unless immediately used, be transferred to storage tanks or deposited in a storeroom as provided in accordance with § 211.91. The formula number of specially denatured spirits deposited in tanks shall be shown on each tank or, in the case of underground tanks, at a convenient and suitable location. Specially denatured spirits received in bulk conveyances or by pipeline shall be deposited in storage tanks or transferred to drums, unless immediately used in the permittee's authorized process or processes: *Provided,* That in the case of

receipts by tank car or tank truck, such conveyance may be used for the storage of specially denatured spirits where the premises of the user will afford protection satisfactory to the assistant regional commissioner and, if such spirits are to be stored in tank cars, adequate siding facilities are provided on the premises. Where it is desired to so store specially denatured spirits in a tank car or tank truck, the user shall first submit written application, in duplicate, to the assistant regional commissioner for authority to do so. When specially denatured spirits received in bulk conveyances are transferred to drums, the drums shall be plainly marked or labeled to show the name and permit number of the person from whom shipment was made, the words "Specially Denatured Alcohol" or "Specially Denatured Rum," the formula number, and the date of receipt. On receipt of specially denatured spirits by the user, he shall ascertain and account for any losses in transit in accordance with subpart M, receipt for the shipment on both copies of Form 1473 received from the consignor, noting thereon any loss or deficiency in the shipment, forward one copy to the assistant regional commissioner of his region, and file the other copy in chronological order, by months.

USE OF SPECIALLY DENATURED SPIRITS

§ 211.169 General.

Uses of specially denatured spirits shall be as authorized under Part 212 of this chapter. Specially denatured spirits shall not be used until Form 1479–A showing the intended use, process, formula, or article has been approved, as required by subpart G. Specially denatured spirits shall not be used in the manufacture of medicinal preparations or flavoring extracts for internal human use where any of the spirits remain in the finished product. Liquid products containing specially denatured spirits shall be unfit for beverage or internal human use. The essential oils and chemicals used in their manufacture shall make the finished products conform to the samples and formulas for such products submitted by the applicant with Form 1479–A and approved by the Director or, in the case of rubbing alcohol compounds, by the assistant regional commissioner. Whenever the assistant regional commissioner has reason to believe that the spirits in any articles are being reclaimed or diverted to beverage or internal human use, the permittee shall be directed to appear on a day named and show cause why the authorized formula and article should not be so changed and modified as to prevent such reclamation or diversion. In the event the permittee should fail to appear, or appearing should fail to prove that the spirits in the authorized article are not reclaimable and are not being diverted to beverage or internal human use, he shall discontinue the use of the formula until it has been modified and again approved.

(72 Stat. 1372; 26 U.S.C. 5273)

PROPRIETARY SOLVENTS

§ 211.170 Manufacture of proprietary solvents.

All articles coming under the general classification of proprietary solvents shall be manufactured with specially denatured alcohol Formula No. 1. The formulations shall be as follows, except as may otherwise be authorized by the Director:

(1) *Formulation No. I.*

	Gallons
Specially denatured alcohol formula No. 1	100
Ethyl acetate	5
Gasoline or rubber hydrocarbon solvent	1

(2) *Formulation No. II.*

	Gallons
Specially denatured alcohol formula No. 1	100
Denaturing grade wood alcohol	2
Ethyl acetate	1
Gasoline or rubber hydrocarbon solvent	1

(3) *Formulation No. III.*

	Gallons
Specially denatured alcohol formula No. 1	100
Methyl isobutyl ketone	1
Ethyl acetate	1
Gasoline or rubber hydrocarbon solvent	1

(4) *Formulation No. IV.*

	Gallons
Specially denatured alcohol formula No. 1	100
Methyl isobutyl ketone	1
tert-butyl alcohol	2
Gasoline or rubber hydrocarbon solvent	1

(5) *Formulation No. V.*

	Gallons
Specially denatured alcohol formula No. 1	100
Methyl isobutyl ketone	1
Secondary butyl alcohol	2
Gasoline or rubber hydrocarbon solvent	1

§ 211.171 Sales by producers.

Proprietary solvents may be sold by producers to any person for use in manufacturing or as a solvent and to distributors and other persons for resale.

§ 211.172 Use in manufacturing.

Persons desiring to manufacture articles containing in excess of 25 percent alcohol by volume with proprietary solvents, for sale, shall add quantities of materials to definitely change the composition and character of the proprietary solvent. The manufacturer of such article shall submit Form 1479–A as required by Subpart G of this part except in the manufacture of surface coatings containing not less than two pounds of solid coating material per gallon, and shall designate the formulation under which such article is to be made, in the manner shown in § 211.170.

§ 211.173 Shipments by bulk conveyances.

Proprietary solvents may be shipped in bulk conveyances by producers to themselves at other locations, by distributors to themselves at other locations, and, on notice to the assistant regional commissioner by the consignor, in writing, to other persons. Such notice shall be in duplicate if the consignee is located in another region and shall designate, by name, address, and type of business, the persons to whom bulk shipments are to be made, and shall state the approximate quantity to be shipped, and, except in the case of a distributor, the use to be made of the solvents by the consignee. Such notice may be given on a continuing basis, in which case the quantity to be shipped may be shown on a monthly or other periodic basis. The assistant regional commissioner may require the consignor to furnish additional information as to the needs of the consignee and the specific uses to be made of the proprietary solvents. Proprietary solvents from only one consignor may be placed in any one compartment of a bulk conveyance. Not less than the entire contents of any one compartment may be delivered to any one consignee at any one premise.

§ 211.174 Receipt.

Unless proprietary solvents received in bulk conveyances are to be used immediately, they shall be deposited in storage tanks or drawn into packages which shall be marked as required by this subpart.

§ 211.175 Sales by persons other than producers.

Where a distributor desires to purchase and sell proprietary solvents in quantities of more than 3,000 gallons during any month, or to make sales of such solvents in quantities of more than 275 gallons at any one time, he shall give notice, in writing, to the assistant regional commissioner. Such notice shall establish a legitimate need for the proprietary solvents and, in the case of sales of more than 275 gallons to a customer, shall show the use to be made of such solvents.

(72 Stat. 1372; 26 U.S.C. 5273)

§ 211.176 Filling of packages.

Proprietary solvents may be packaged by producers, agents of producers, or by distributors and persons using such products, in containers of any size not exceeding 55 gallons. Containers shall be marked or labeled (except those containers filled for convenience by persons using such products at their own plant premises) as required by §§ 211.177 and 211.179.

§ 211.177 Marking of containers of more than 5 gallons.

All packages of proprietary solvents containing more than 5 gallons shall have placed thereon a serial number and the industrial use permit number of the producer, and shall have conspicuously placed thereon, or on a label attached thereto, in red letters, the word "POISON", together with a statement that the contents if taken internally will cause serious consequences to health, or possibly death. When such packages are filled by a distributor there shall also be shown the name and address of such distributor preceded by the words "Filled by". When shipments are made in bulk

conveyances a label shall be affixed to the route board or other suitable device, giving the name of the product, the quantity, and the producer's name, address, and permit number. When such shipments are made by the producer's agent or by a distributor, the name and address of the agent or the distributor may be shown in lieu of the name and address of the producer.

§ 211.178 Numbering of packages.

All packages of proprietary solvents containing more than 5 gallons shall be consecutively numbered commencing with "1" and continuing in regular sequence, except that the current series may be continued. When any series reaches "1,000,000" the series may be recommenced and the recommenced series shall be given an alphabetical prefix or suffix.

§ 211.179 Labeling of containers of 5 gallons or less.

Containers of 5 gallons or less of proprietary solvents shall be labeled to show the producer's name and address: *Provided,* That where the product is packaged for or by an agent of the producer or for or by another person, the name and address of the agent or other person, as the case may be, may be shown in lieu of the name and address of the producer. All containers shall have printed thereon, or on a label attached thereto, in large letters, in red ink, the word "POISON", together with a statement that the contents if taken internally will cause serious consequences to health, or possibly death. If the words "denatured alcohol" appear on the label, they may not be in contrasting color nor may they be in a size larger than the brand name of the product.

SPECIAL INDUSTRIAL SOLVENTS

§ 211.180 Manufacture.

Special industrial solvents shall be manufactured with specially denatured alcohol Formula No. 1. The formulations shall be as follows, except as may otherwise be authorized by the Director:

(1) *Formulation A.*

	Gallons
Specially denatured alcohol formula No. 1	100
Isopropyl alcohol	10
Methyl isobutyl ketone	1

(2) *Formulation B.*

	Gallons
Specially denatured alcohol formula No. 1	100
Isopropyl alcohol	5
Methyl isobutyl ketone	1
Methyl alcohol	5

(3) *Formulation C.*

	Gallons
Specially denatured alcohol formula No. 1	100
Methyl isobutyl ketone	1
Ethyl acetate	5

§ 211.181 Sales by producers.

Special industrial solvents may be sold by producers to any person for use in manufacturing or as a solvent and to wholesale distributors for resale. Sale of such solvents for distribution through retail channels is prohibited.

§ 211.182 Use in manufacturing.

When special industrial solvents are used in the manufacture of articles for sale there shall be added sufficient ingredients to definitely change the composition and character of the special industrial solvent. Such manufacture shall not be done until a Form 1479–A covering the production has been approved in accordance with subpart G. The formulation under which the special industrial solvent article is made shall be identified on Form 1479–A in the manner shown in § 211.180. Special industrial solvents shall not be reprocessed into other solvents for sale containing more than 25 percent alcohol by volume.

§ 211.183 Sales to and by distributors.

A distributor shall not purchase or sell more than 550 gallons of special industrial solvents during a calendar month, unless he notifies the assistant regional commissioner, in writing, stating the circumstances which occasioned the need for such purchases or sales. In the case of sales, the notice shall designate, by name, address, and type of business, the persons to whom sales are to be made and the use to be made of the solvents by such consignees. Distributors shall not relabel special industrial solvents under their own brand name and shall not repackage such solvents except for the purpose of shipping samples in containers of not more than 5 gallons in capacity to prospective customers for the purpose of sample evaluation.

§ 211.184 Numbering of containers.

All containers of special industrial solvents, except sample packages of 5 gallons or less, shall be consecutively numbered commencing with "1" and continuing in regular sequence. When any series reaches "1,000,000" the series may be recommenced and the recommenced series shall be given an alphabetical prefix or suffix.

§ 211.185 Shipments.

Special industrial solvents shall be shipped in containers having a capacity of 50 gallons or more, except that such solvents may be shipped in containers of not more than 5 gallons capacity to prospective customers for the purpose of sample evaluation and not for sale. All such containers shall have affixed thereto a label showing the brand name under which produced and the name and address of the producer, except that in the case of tank car or tank truck shipments the label shall be affixed to the route board of such vehicle. Shipments in bulk conveyances may be made only by producers. Such shipments may be made by producers to themselves at other locations and, pursuant to notice to the assistant regional commissioner by the producer, in writing, to industrial solvent users. Such notice shall specify the quantity to be shipped and the use to be made of the special industrial solvents by the customer. Such notice may be given on a continuing basis. Special industrial solvents from only one consignor may be placed in any one compartment of a bulk conveyance. Not less than the entire contents of any one compartment may be delivered to any one consignee at any one premises.

RUBBING ALCOHOL COMPOUND

§ 211.186 General.

Rubbing alcohol compound shall mean any product manufactured with specially denatured alcohol and represented to be a "rubbing alcohol compound." Rubbing alcohol compounds shall be made only as prescribed in § 211.187 and no other product shall be labeled to imply that it is a rubbing alcohol compound. Any product manufactured with specially denatured alcohol and labeled and sold as a rubbing alcohol compound shall be packaged in containers not exceeding 1 pint in capacity by the manufacturer thereof. Rubbing alcohol compound shall not be repackaged or relabeled by others after it has been removed from the premises of the manufacturer.

§ 211.187 Manufacture.

All rubbing alcohol compounds shall be manufactured with specially denatured alcohol Formula No. 23–H according to the following formula:

S.D.A. No. 23–H	103.3 fl. oz.
Sucrose octa-acetate	0.5 av. oz.
Water (and odorous or medicinal ingredients) q.s.	1 gal.

Manufacturers may add to the formula other odorous or medicinal ingredients if they are shown in the formula submitted for approval and if the finished product contains 70 percent absolute alcohol by volume.

§ 211.188 Brand label.

Each bottle or rubbing alcohol compound shall bear a brand label, placed thereon by the manufacturer, containing the following information:

(a) The brand or trade name of the product, if any;

(b) The legend "Rubbing Alcohol Compound" which shall be in letters of the same color and size;

(c) The name and address of the manufacturer: *Provided,* That where rubbing alcohol compound is bottled for a certain wholesale or retail druggist and it is desired to show the name and address of such druggist on the label in lieu of the name and address of the manufacturer, such may be done if the industrial use permit number of the manufacturer is printed on the label;

(d) The legend "Contains 70 percent alcohol by volume," "Contains 70 percent ethyl alcohol by volume," or "Contains 70 percent absolute alcohol by volume;" and

(e) The legend "For external use only. If taken internally, serious gastric disturbances will result."

The manufacturer may incorporate in the brand label, or in a separate label appearing in conjunction with the brand label, any other desired statement, but such statement shall not obscure or contradict the required labeling. No misleading statement, which would give the impression that the product is pure alcohol or is susceptible of beverage use, shall be permitted on labels. No label

shall be used on any bottle of rubbing alcohol compound unless the same has been approved by the assistant regional commissioner in accordance with § 211.102.

§ 211.189 Manufactured with isopropanol, etc.

A preparation labeled "Rubbing Alcohol Compound" without a definite modification is held to connote that such preparation was manufactured with specially denatured alcohol. Accordingly, if a preparation intended for use as rubbing alcohol compound is produced from any other material, such as isopropyl alcohol, it shall not be labeled "Rubbing Alcohol Compound" without appropriate modification, clearly indicating that it was not made with specially denatured alcohol.

§ 211.190 To whom may be sold.

The sale of rubbing alcohol compound by the manufacturer or wholesale druggist shall be made directly, or through his employees, only to wholesale or retail druggists, and to purchasers who acquire the product for legitimate external use and not for resale (such as hospitals, sanitariums, clinics, turkish baths, athletic associations, physicians, dentists, and veterinarians). This product may also be sold by retail druggists to any of the foregoing or in customary retail quantities only to other persons for external use.

BAY RUM, HAIR LOTIONS, SKIN LOTIONS, AND SIMILAR PRODUCTS

§ 211.191 General.

The packaging, bottling, sale, and labeling of bay rum, hair lotions, dry shampoos, deodorant sprays, skin lotions, perfumes, toilet waters, witch hazel, and similar products, made with specially denatured alcohol, shall be in accordance with the provisions of §§ 211.192 to 211.197.

§ 211.192 Manufacture.

All bay rum, alcoholado, or alcoholado type toilet waters, made with specially denatured alcohol shall contain 32 grains of tartar emetic or 0.5 avoirdupois ounce of sucrose octa-acetate in each gallon of finished product. Preparations manufactured with specially denatured alcohol formula No. 39–C shall contain in each gallon of finished product not less than 2 fluid ounces of perfume material (essential oils, isolates, aromatic chemicals, etc.) satisfactory to the Director.

§ 211.193 Reprocessing, bottling, and repackaging.

Any person who desires to bottle or repackage any of the products specified in § 211.191, or any person who desires to reprocess such products which contain specially denatured alcohol, may be authorized to do so pursuant to application filed on Form 2622 with the assistant regional commissioner of his region. Where such person or any commercial user (such as beauty parlors or turkish bath establishments) desires to procure these products in bulk (containers exceeding one gallon) he shall make application on Form 2622 to the assistant regional commissioner for authority to do so.

§ 211.194 Containers.

Products specified in § 211.191 shall not be sold in containers exceeding one gallon in capacity: *Provided,* That sales of such products in containers exceeding one gallon in capacity may be made where the vendor has received a Form 2622 approved by the assistant regional commissioner authorizing purchase in such containers by the vendee.

§ 211.195 Labels.

Where products specified in § 211.191 are packaged or bottled by the manufacturer, the labels shall show (a) the name of the manufacturer and the address or addresses of the actual place or places of manufacture; or (b) the name of the manufacturer, the address of the principal office, and the permit number or numbers of the place or places of manufacture; or (c) the permit number of the manufacturer and the name and address of the person for whom the bottles or other containers are filled. Where the same premises are operated under one or more approved trade names, any one or more of such trade names may be shown on the label as the name of the manufacturer. Where such products are bottled or repackaged, or such products containing specially denatured alcohol are reprocessed by a permittee, he shall show his name and address in lieu of the permit number of the original manufacturer or, if packaged for another person, his own permit number and the name and address of the person for whom packaged. Where such products are bottled or repackaged or such products containing specially denatured alcohol are reprocessed by a nonpermittee, he shall show the permit number of the original manufacturing permittee and (a) his own name and address or, (b) if packaged for another person, the name and address of the person for whom packaged. The foregoing requirements shall not apply to witch hazel packaged in containers of one gallon or less and shall not apply to products specified in § 211.191 which have been approved as containing 6 fluid ounces or more of perfume oil per gallon of finished product, or which have been approved as containing not more than 16 fluid ounces of specially denatured alcohol per gallon of finished product, or to any product marketed under a trade or brand name label in a container of 8 fluid ounces or less capacity: *Provided,* That the manufacturer or bottler specifies on the Form 1479–A with which the label is submitted for approval that such label is to be used only on such products or containers.

§ 211.196 State code numbers.

In showing the permit number of labels as provided in § 211.195, a manufacturer may substitute the appropriate number shown below for the State abbreviation. For example, permit number SDA–CONN–1234 may be shown on the label as SDA–07–1234. The code numbers for the respective States are as follows:

01—Alabama.
02—Alaska.
03—Arizona.
04—Arkansas.
05—California.
06—Colorado.
07—Connecticut.
08—Delaware.
09—D.C.
10—Florida.
11—Georgia.
12—Hawaii.
13—Idaho.
14—Illinois.
15—Indiana.
16—Iowa.
17—Kansas.
18—Kentucky.
19—Louisiana.
20—Maine.
21—Maryland.
22—Massachusetts.
23—Michigan.
24—Minnesota.
25—Mississippi.
26—Missouri.
27—Montana.
28—Nebraska.
29—Nevada.
30—New Hampshire.
31—New Jersey.
32—New Mexico.
33—New York.
34—North Carolina.
35—North Dakota.
36—Ohio.
37—Oklahoma.
38—Oregon.
39—Pennsylvania.
40—Rhode Island.
41—South Carolina.
42—South Dakota.
43—Tennessee.
44—Texas.
45—Utah.
46—Vermont.
47—Virginia.
48—Washington.
49—West Virginia.
50—Wisconsin.
51—Wyoming.

§ 211.197 Labels to be approved.

All persons bottling products specified in § 211.191 which contain specially denatured alcohol shall submit Form 1479–A with labels or facsimiles thereof to the Director for approval before use, in accordance with § 211.106. Where labels are submitted for approval by persons other than the original manufacturer or reprocessor, the name and address of the bottler shall be shown in the heading of Form 1479–A, and in the space provided for stating the "Formula" there shall be typed the words "For Label Approval Only", followed by:

(a) The name, address or addresses, and permit number or numbers of the actual manufacturer, and the name, and address, and permit number, if any, of the reprocessor;

(b) The name under which the product was manufactured or reprocessed; and the date of formula approval;

(c) The name under which the product is to be bottled and labeled;

(d) The size of the containers in which the product will be bottled; and

(e) The manner of showing the name and address of the bottler or person for whom the product is bottled, and the permit number of the manufacturer or reprocessor, on containers of more than 8 ounces.

There may be submitted on one set of Forms 1479–A as many labels, together with the required information, as may be conveniently accommodated thereon. The provisions of this section shall not apply to witch hazel in containers of one gallon or less.

INTERNAL MEDICINAL PREPARATIONS AND FLAVORING EXTRACTS

§ 211.198 General.

Medicinal preparations and flavoring extracts for internal human use shall not be manufactured with specially denatured spirits where any of the spirits remain in the finished product. Labels, cartons, and advertising matter used in connection with external preparations manufactured for human use with specially denatured spirits shall not bear any reference to internal use or prescribe any internal dosage.

(72 Stat. 1372; 26 U.S.C. 5273)

Other Articles

§ 211.199 Reagent alcohol.

(a) *Production, packaging, and sales.* Reagent alcohol shall contain 95 parts of S.D.A. Formula No. 3–A and 5 parts by volume of isopropyl alcohol and shall be produced only by users who are bona fide laboratory supply houses. It shall be packaged in containers holding not in excess of 1 gallon and may be sold to school laboratories, medical laboratories, physicians and others requiring small quantities for scientific purposes.

(b) *Labels.* Reagent alcohol shall bear a front label as follows:

REAGENT ALCOHOL

Specially Denatured Alcohol Formula 3A—95 parts by vol.

Isopropyl Alcohol—5 parts by vol.

CAUTION * * * POISON
CONTAINS METHYL ALCOHOL

NOT FOR INTERNAL OR EXTERNAL USE

A back label shall be attached bearing the word "ANTIDOTE", followed by suitable directions therefor.

§ 211.200 Solvents not specifically authorized.

Articles such as duplicating and printing fluids made with specially denatured alcohol shall not be sold for other solvent use and shall not be reprocessed into other products for sale. Where proprietary solvents, special industrial solvents, or other authorized solvents are unsatisfactory for a particular purpose, the person desiring a suitable solvent shall first qualify as a user under the provisions of subparts D and E and shall submit Form 1479–A, to cover the process or article proposed to be made by him, as provided in Subpart G of this part.

§ 211.201 Labels on other articles containing specially denatured spirits.

The Director may require containers of articles, other than those specified in this part, containing specially denatured spirits to be labeled, stenciled, or otherwise marked with (a) the name of the manufacturer and the address of the actual place of manufacture, (b) the manufacturer's name, the address of his principal office and his permit number, or (c) the name and address of the distributor and the permit number of the manufacturer.

RECORDS AND REPORTS

§ 211.202 Records and reports.

Users of specially denatured spirits, persons dealing in special industrial solvents or proprietary solvents, and reprocessors, bottlers, repackagers, and distributors of bay rum, hair lotions, skin lotions, and similar products, shall keep such records and, where applicable, render such reports as are required in Subpart O of this part.

Subpart K—Recovery of Denatured Alcohol, Specially Denatured Rum, and Articles

§ 211.211 General.

Manufacturers using denatured alcohol, specially denatured rum, or articles in an approved process may recover such alcohol, rum, or articles upon receiving approval therefor pursuant to the filing of appropriate qualifying documents in accordance with the applicable provisions of Subpart D, E, and G of this part: *Provided,* That a person who recovers completely denatured alcohol with all its original ingredients, and article made with specially denatured spirits with all its ingredients, or an article made with completely denatured alcohol with all the denaturants of the completely denatured alcohol shall not be required to obtain approval. Restoration and redenaturation may be accomplished by a permittee or by the proprietor of a distilled spirits plant.

§ 211.212 Deposit in receiving tanks.

All denatured alcohol, specially denatured rum, or articles recovered shall be accumulated, after recovery or restoration is completed, in a receiving tank equipped for locking. Where such product is to be shipped pursuant to § 211.217, it may be accumulated in appropriately marked packages. All denatured alcohol or specially denatured rum recovered shall be measured and recorded before being redenatured or reused. Recovered denatured alcohol or specially denatured rum and new denatured alcohol or specially denatured rum shall be kept in separate storage containers properly marked for identification.

§ 211.213 Reuse of recovered spirits.

If the denatured alcohol or specially denatured rum is recovered in its original denatured state, or practically so, or contains substantial quantities of the original denaturants and other ingredients which render it unfit for beverage or other internal human medicinal use, it may be reused in any approved process without further redenaturation. In such cases, the assistant regional commissioner shall cause samples of the recovered product to be taken from time to time for the purpose of determining whether the product requires redenaturation. Where the denatured alcohol or specially denatured rum is not recovered in such state, it shall be redenatured under the supervision of an internal revenue officer at the premises of the manufacturer or a denaturer before being used.

(72 Stat. 1372; 26 U.S.C. 5273)

§ 211.214 Application for redenaturation, Form 1483.

When recovered denatured alcohol or specially denatured rum requiring redenaturation is collected in sufficient quantities and the manufacturer desires to redenature it on his premises, he shall file application on Form 1483, in duplicate, with the assistant regional commissioner.

§ 211.215 Denaturants.

Manufacturers shall comply with the applicable requirements of Part 201 of this chapter governing the procurement, use, and recordkeeping of such denaturants by denaturers.

§ 211.216 Redenaturation of recovered spirits.

On approval of Form 1483, the assistant regional commissioner shall detail an internal revenue officer to supervise the redenaturation of the spirits. After ascertaining the quantity and proof of the spirits, the officer shall see that the proper quantity of denaturants are added to meet the requirements of the formula and thoroughly mixed with the spirits. On redenaturation of the recovered spirits, the internal revenue officer shall execute his report thereof on the original and copy of Form 1483 and deliver one copy of the form to the manufacturer.

§ 211.217 Shipment for restoration or redenaturation.

Recovered denatured alcohol, recovered specially denatured rum, or recovered articles requiring restoration or redenaturation, or both, unless the same is to be done on the manufacturer's premises, shall be shipped to a distilled spirits plant. Packages shall be numbered in serial order, beginning with "1" and continuing in regular sequence, and have marked or stenciled thereon the name, address, and permit number of the manufacturer, the quantity in gallons of spirits contained therein, and the words "Recovered denatured alcohol formula No. _____" or "Recovered specially denatured rum formula No. _____".

§ 211.218 Notice of shipment.

When recovered denatured alcohol or specially denatured rum is shipped as provided for in § 211.217, the consignor shall prepare Form 1473, in quadruplicate (quintuplicate if consignee is located in another region), and, on the day of shipment, forward two copies to the proprietor of the distilled spirits plant to which shipment is made, one copy (or two copies if the consignee is located in another region) to the assistant regional commissioner of his region, and retain the remaining copy for his files.

(72 Stat. 1372; 26 U.S.C. 5273)

Subpart L—Use of Specially Denatured Spirits by the United States or Governmental Agency

§ 211.231 Application and permit.

Specially denatured spirits may be withdrawn by the United States or any Governmental agency thereof on filing application on Form 1486, and issuance of permit therefor. Form 1486 shall be executed in duplicate, signed by the head of the department or independent bureau or agency to which such specially denatured spirits are to be shipped, or by some person duly authorized by such head of a department or independent bureau or agency and forwarded to the Director. Evidence of authority to sign for the head of a department or independent bureau or agency shall be furnished the Director. When specially denatured spirits are to be furnished to a contractor by an agency of the United States, the specially denatured spirits shall be purchased by the agency and the quantity of specially denatured spirits so furnished shall be limited to the minimum actually required by the

contractor to meet Governmental requirements under the specific contract. The permit may be left with the denaturer or bonded dealer during the term of its use or retained by the agency and furnished to the supplier with each order for spirits. Every appropriate precaution shall be taken by the agency to insure that the specially denatured spirits so procured will be used only for Governmental purposes.

(72 Stat. 1370, 1372; 26 U.S.C. 5271, 5273)

§ 211.232 Bond.

No bond is required covering specially denatured spirits withdrawn for the use of the United States or any Governmental agency thereof.

§ 211.233 Procurement of specially denatured spirits.

When specially denatured spirits are to be procured by the United States or a Governmental agency thereof, the permit on Form 1486, received from the Director pursuant to an application filed in accordance with the provisions of § 211.231, shall be forwarded to the denaturer or bonded dealer from whom the specially denatured spirits are to be obtained. A purchase order shall be submitted by the Governmental agency for any specially denatured spirits shipped under the permit. At the time of shipment, the vendor shall record the shipment on the permit and return it to the Governmental agency unless he has been authorized by such agency to retain the permit for the purpose of making future shipments.

(72 Stat. 1372; 26 U.S.C. 5273)

§ 211.234 Preparation of Form 1473 by bonded dealer.

On receipt of permit, Form 1486, and shipment of the specially denatured spirits, by a bonded dealer, he shall prepare Form 1473 in quadruplicate, or in quintuplicate when shipping for the account of another bonded dealer. The bonded dealer shall mail two copies of Form 1473 to the consignee, except that in the case of truck shipments, he will enclose them in a sealed envelope addressed to the representative of the Governmental agency to whom the specially denatured spirits are consigned and give them to the driver of the truck for delivery to such representative. He will forward the original of the form to the assistant regional commissioner, a copy to the other bonded dealer when shipment is made for the account of such dealer, and file the remaining copy.

§ 211.235 Receipt of shipment.

On receipt of a shipment of specially denatured spirits, the representative of the Governmental agency receiving the same shall execute the certificate of receipt on both copies of Form 1473 received from the denaturer or bonded dealer, after noting thereon any loss or deficiency in the shipment, and shall forward one copy to the assistant regional commissioner of the region in which the consignor is located and retain the other copy for his files.

§ 211.236 Discontinuance of use.

When no more specially denatured spirits will be procured under a permit the permit shall be returned to the Director for cancellation.

§ 211.237 Disposition of excess specially denatured spirits.

Any excess specially denatured spirits in the possession of a Governmental agency shall be disposed of to another Governmental agency of the United States holding a permit under this part, returned to a distilled spirits plant or a bonded dealer, on approval of the assistant regional commissioner of the region in which the plant or dealer is located, or disposed of otherwise as may be authorized by the Director. In no case may such spirits be disposed of to the general public.

Subpart M—Losses of Specially Denatured Spirits

§ 211.241 Losses by theft.

The quantity of specially denatured spirits lost by theft shall be determined at the time the loss is discovered. Such losses shall be recorded on the records required by § 211.264 or § 211.265 and entered on Form 1478 or Form 1482, as the case may be. The bonded dealer or user shall immediately report such loss to the assistant regional commissioner, explaining the circumstances under which the loss occurred. Claim for allowance for all such losses, regardless of the percentage of loss, shall be made.

§ 211.242 Losses in transit.

The quantity of specially denatured spirits lost while in transit to a bonded dealer's premises or a user's premises shall be determined at the time the shipment or report of loss is received and shall be reported on Form 1478 or Form 1482, as the case may be, and on Form 1473. Except as provided in § 211.241, where the quantity lost from wooden packages contained in a shipment exceeds 3 percent of their original aggregate contents or the loss from any other containers in a shipment exceeds 1 percent of their original aggregate contents, and the quantity lost is 5 gallons or more, claim for allowance of the entire quantity lost shall be filed by the consignee. Where losses in transit do not exceed the quantities specified in this section and there are no circumstances indicating that any part of the quantity lost was unlawfully used or removed, no claim for allowance will be required.

§ 211.243 Losses at premises of bonded dealer or user.

Losses of specially denatured spirits from storage tanks shall be determined by physical inventory of such tanks at the close of each month. Losses, if any, from packages shall be determined at the time the packages are removed for shipment or dumped for repackaging or use. All losses on a bonded dealer's premises shall be recorded in the records required by § 211.264 and reported on Form 1478 by such dealer for the month in which they are discovered. Losses of specially denatured spirits at a user's premises shall be determined and recorded in the records required by § 211.265 and reported on Form 1482. If the quantity lost during any one month exceeds 1 percent of the quantity of specially denatured spirits to be accounted for during the month, and is more than 5 gallons, claim for allowance of the entire quantity lost shall be made by the bonded dealer or user. Where losses on the premises do not exceed the quantities specified in this section and there are no circumstances indicating that any part of the loss was unlawfully used or removed, claim for allowance will not be required, except in the case of losses under § 211.241.

§ 211.244 Claims.

Claims for allowance of losses of specially denatured spirits shall be filed on letter size paper with the assistant regional commissioner within 30 days from the date the loss is ascertained, and shall set forth the following:

(a) Name, address, and permit number of the claimant;

(b) Identification and location of the container or containers from which the specially denatured spirits were lost;

(c) Quantity of specially denatured spirits lost from each container, the total quantity of specially denatured spirits covered by the claim, and the aggregate quantity involved;

(d) Date of the loss (or, if not known, date of discovery), the cause or nature thereof, and all the facts relative thereto;

(e) Name of the carrier where a loss in transit is involved;

(f) If lost by theft, facts establishing whether the loss occurred as a result of any negligence, connivance, collusion, or fraud on the part of the bonded dealer or user, consignee, bailee, or carrier, or the employees or agents of any of them.

The claim shall be submitted in original only and shall contain a statement that it is executed under the penalties of perjury. The assistant regional commissioner may require the submission of additional evidence.

Subpart N—Destruction, Disposition, or Return of Specially Denatured Spirits and Disposition of Recovered Denatured Alcohol, Recovered Specially Denatured Rum, and Articles

§ 211.251 Destruction.

Specially denatured spirits in the possession of a permittee may be destroyed by him on approval of the assistant regional commissioner. The permitttee shall file application to do so with the assistant regional commissioner, in duplicate, stating fully the reasons therefor. On approval of the application, the assistant regional commissioner shall instruct the permittee whether or not the destruction shall be witnessed by an internal revenue officer. The internal revenue officer, if assigned, or the permittee shall certify to the destruction on the original and copy of the approved application, specifying the date and manner of destruction. The copy of the approved application shall be filed by the permittee and the original returned to the assistant regional commissioner.

§ 211.252 Return to denaturer or bonded dealer.

For any legitimate reason, a permittee may return specially denatured spirits to any denaturer or bonded dealer (whether or not he was the original shipper) if the denaturer or bonded dealer consents to the return and permission for the transfer is in each instance first obtained from the assistant regional commissioner of the region from which the specially denatured spirits are to be returned. Application for permission shall be filed in triplicate (quadruplicate if the bonded dealer or denaturer is in another region). If the application is approved the assistant regional commissioner will forward a copy to the permittee, a copy to the denaturer or bonded dealer, and the additional copy, if any, to the consignee's assistant regional commissioner. Where specially denatured spirits are to be returned to a bonded dealer as provided in this section and § 211.254, the bonded dealer may, if he so desires, file one consent of surety on his bond to extend the terms thereof to cover all such spirits which may be so returned to him.

§ 211.253 Reconsignment in transit.

Where, prior to or on arrival at the premises of a consignee, specially denatured spirits are found to be unsuitable for the purpose for which intended, were shipped in error, or, for any other bona fide reason, are not accepted by such consignee, or are not accepted by a carrier, they may be reconsigned, by the bonded dealer or denaturer making shipment, to himself, or to another permittee on notification to the assistant regional commissioner of the consignor's region of such reconsignment. In such case, the bond of the person to whom the specially denatured spirits were reconsigned shall cover such spirits while in transit after reconsignment. Notice of cancellation of the Form 1473 covering the shipment to the original consignee shall be made by the consignor to each person receiving a copy of such Form 1473. Where the reconsignment is to another permittee a new Form 1473 shall be prepared and have placed thereon the word "Reconsignment." The entry on the withdrawal permit covering the original shipment shall be voided and appropriate entries shall be made on the withdrawal permit of the permittee to whom the specially denatured spirits were reconsigned.

§ 211.254 Disposition on permanent discontinuance of business.

When a bonded dealer permanently discontinues business, any specially denatured spirits remaining on hand at the time of such discontinuance, which it is impractical to dispose of to users or other bonded dealers, pursuant to withdrawal permit, may be returned to a distilled spirits plant in accordance with the procedure prescribed in § 211.252, or destroyed in accordance with the procedure prescribed in § 211.251. When a user permanently discontinues the use of specially denatured spirits, he may return any such spirits on hand at the time of discontinuance to a bonded dealer or distilled spirits plant in accordance with § 211.252, destroy it in accordance with § 211.251, or dispose of it to another user if consent of surety is filed on the consignee's bond extending the terms thereof to cover the transportation of the spirits to his premises.

§ 211.255 Notice of shipment.

When specially denatured spirits are shipped in accordance with § 211.252 or § 211.254, the consignor shall prepare Form 1473, in quadruplicate (quintuplicate if the consignee is located in another region) and, on the day of shipment, forward two copies to the consignee, the original (original and one copy if the consignee is located in another region) to the assistant regional commissioner of his region, and retain the remaining copy for his files.

§ 211.256 Disposition after revocation of permit.

When any industrial use permit, Form 1476 or 1481, is finally revoked, all specially denatured spirits in transit to and in possession of the permittee, and all recovered denatured spirits, recovered specially denatured rum, or recovered articles and articles in process of manufacture, may continue to be lawfully possessed by the former permittee for a period of 60 days after such revocation for the purpose of making lawful disposition thereof, pursuant to proper permit therefor, which the former permittee shall do within said period. Unless such stocks are disposed of within the period of 60 days they are subject to seizure and forfeiture.

(72 Stat. 1370, 68A Stat. 867; 26 U.S.C. 5271, 7302)

§ 211.257 Disposition of recovered denatured alcohol, recovered specially denatured rum, or articles on permanent discontinuance of use of denatured alcohol or specially denatured rum.

Recovered denatured alcohol, recovered specially denatured rum, or recovered articles, articles in process of manufacture, and completed articles in possession of the permittee at the time of permanent discontinuance of use of denatured alcohol or specially denatured rum shall be disposed of as authorized by the assistant regional commissioner, after full advice respecting their condition and the disposition it is desired to make of such products has been submitted to him.

§ 211.258 Disposition of completed articles after revocation of permit.

When completed articles remain in the possession of the permittee at the time of final revocation of his industrial use permit Form 1481, they shall be disposed of only as authorized by the assistant regional commissioner.

Subpart O—Records and Reports

§ 211.261 Records of completely denatured alcohol.

Persons receiving, storing, selling, or using as much as 550 gallons of completely denatured alcohol in a calendar month shall keep such records of transactions in completely denatured alcohol, including the serial numbers on the containers, as will enable any internal revenue officer to verify and trace receipts, storage, and disposals and to ascertain whether there has been compliance with law and regulations: *Provided,* That on sales in quantities of less than 5 gallons, only the total quantity so disposed of daily need be recorded. Persons receiving or transferring completely denatured alcohol by pipeline or in bulk conveyances shall keep such records, regardless of the amount received, used, or disposed of during a calendar month.

(72 Stat. 1373; 26 U.S.C. 5275)

§ 211.262 Records of proprietary antifreeze made with completely denatured alcohol.

Persons producing, receiving, storing, or selling as much as 550 gallons of proprietary antifreeze solutions made with completely denatured alcohol in a calendar month shall keep such records of transactions in proprietary antifreeze solutions, including the serial numbers (if any) on the containers, as will enable any internal revenue officer to verify and trace such production, receipts, storage, and disposals and to ascertain whether there has been compliance with law and regulations: *Provided,* That on sales in quantities of less than 5 gallons, only the total quantity so disposed of daily need be recorded. Persons receiving or transferring such proprietary antifreeze solutions by pipeline or in bulk conveyances shall keep such records regardless of the amount received, produced, or disposed of during a calendar month.

(72 Stat. 1373; 26 U.S.C. 5275)

§ 211.263 Records of recovered completely denatured alcohol and articles.

Any person who recovers completely denatured alcohol or articles under an industrial use permit shall keep records with respect to the recovery and reuse thereof in sufficient detail (a) to enable him to prepare Form 1482 and (b) to enable any internal revenue officer to verify and trace such recovery and reuse.

§ 211.264 Records of bonded dealers.

Bonded dealers shall keep records which shall accurately and clearly reflect the details of all specially denatured spirits received, lost, destroyed, and disposed of. Such records shall contain all data necessary (a) to enable ready identification and proper marking, branding, and labeling of specially denatured spirits, (b) to enable the bonded dealer to prepare Form 1478, and (c) to enable internal revenue officers to verify and trace each transaction, to verify claims, and to ascertain whether there has been compliance with law and regulations.

(72 Stat. 1373; 26 U.S.C. 5275)

§ 211.265 Records of users of specially denatured spirits.

(a) *Persons manufacturing bay rum, hair lotions, skin lotions, and similar products which contain specially denatured alcohol.* Persons holding permit to use specially denatured alcohol in the manufacture of bay rum, hair lotions,

skin lotions, and similar products covered by § 211.191, shall keep a manufacturing record on Form 133, covering all such products which contain specially denatured alcohol, which will accurately and clearly reflect the details of all specially denatured alcohol received and used in such products, and all such products manufactured. The details of manufacture, showing the quantities of essential oils, chemicals, or other materials used in manufacturing, shall be shown on a separate batch record, identified by serial number. Such persons shall also keep a bottling or packaging and sales record on Form 134 of all products which contain specially denatured alcohol, which will accurately and clearly reflect the details of all such products manufactured and the disposition thereof: *Provided,* That other manufacturing and sales records may be maintained for such products, on approval of the assistant regional commissioner, if such substitute records reflect all of the data required by Forms 133 and 134 and are maintained in such a manner as to enable internal revenue officers to readily determine the proper use of all specially denatured alcohol and the proper disposition of all products made therefrom: *Provided further,* That where the permit limits the withdrawal of specially denatured alcohol to 25 gallons or less per calendar month, or, in the case of persons who also reprocess products containing specially denatured alcohol, where the quantity of specially denatured alcohol withdrawn and the quantity of such products received for reprocessing do not exceed 25 gallons, such records need not be maintained. Records of products specified in § 211.191 made with specially denatured alcohol but which do not contain specially denatured alcohol shall be kept in accordance with paragraph (b) of this section.

(b) *Persons manufacturing other articles.* Every person holding permit to use specially denatured spirits, except as provided in paragraph (a) of this section, shall keep records which shall accurately and clearly reflect the details of specially denatured spirits received, used, and recovered, and of articles recovered. Such records shall contain all data necessary (1) to enable the permittee to prepare Form 1482 and (2) to enable any internal revenue officer to verify and trace each operation or transaction, to verify claims, and to ascertain whether there has been compliance with law and regulations, and shall include the following information:

(i) The quantity of each formula of specially denatured spirits received, including the name and address of the consignor;

(ii) The quantity, by formula and code number, of specially denatured spirits used and each purpose for which used (if used in the manufacture of an article, the name of each such article and the quantity used in its manufacture);

(iii) The quantity of each article manufactured; and

(iv) The name and address of each person to whom articles are disposed and the quantity of each articles disposed of. Where the total quantity of specially denatured spirits to be withdrawn during a calendar month does not exceed 25 gallons, such records need not be maintained.

(72 Stat. 1373; 26 U.S.C. 5275)

§ 211.266 Records of reprocessing, repackaging, bottling, and resale of bay rum, hair lotions, skin lotions, and similar products.

Persons authorized under § 211.193 to reprocess products specified in § 211.191 which contain specially denatured alcohol shall keep records on Forms 133 and 134 or other records, in the same manner as manufacturers of such products under § 211.265. All persons who purchase products specified in § 211.191 in containers larger than one gallon for repackaging, bottling, or resale, shall also keep a record of the receipt, bottling or repackaging, and sales thereof on Form 134, or other records, in the manner prescribed in § 211.265: *Provided,* That on sales in quantities of less than 5 gallons the records may show only the totals disposed of daily: *And provided further,* That the records required by this section need not be maintained if the total quantity of such products received during a calendar month does not exceed 25 gallons.

(72 Stat. 1373; 26 U.S.C. 5275)

§ 211.267 Invoices by users of specially denatured spirits and other persons.

All persons holding permits to use specially denatured spirits and all persons required to keep records under § 211.266 shall retain copies of invoices in such manner as to enable any internal revenue officer to readily examine them for the following transactions:

(a) Purchases of all essential oils, chemicals, and other materials used in manufacturing articles, including the name and address of the vendor, and the quantity;

(b) Purchases of articles containing specially denatured spirits for reprocessing, or purchases of any articles for bottling, repackaging, and/or resale, including the name and address of the vendor and the quantity; and

(c) Dispositions of all articles manufactured or received, including in each case the name and address of the person to whom sold or otherwise disposed of.

The assistant regional commissioner may, on application by the permittee, waive the requirements for the retention of invoices where the quantity sold to any person during a calendar month does not exceed 25 gallons, if he finds that such action will not hinder the effective administration of this part and will not jeopardize the revenue.

(72 Stat. 1373; 26 U.S.C. 5275)

§ 211.268 Records of special industrial solvents and proprietary solvents.

Persons dealing in special industrial solvents and proprietary solvents produced with specially denatured alcohol shall keep detailed and accurate records of the receipt and disposition of such articles. Persons receiving such articles in bulk conveyances for use shall maintain complete records of the receipt and use thereof.

(72 Stat. 1373; 26 U.S.C. 5275)

§ 211.269 Reports of persons recovering completely denatured alcohol and articles.

Persons who recover completely denatured alcohol or articles under an industrial use permit shall file monthly reports on Form 1482, properly modified, showing the quantity received, used in manufacture, and the quantity recovered and the disposition thereof. Where the recovered product is shipped to a distilled spirits plant for restoration or redenaturation, such information must also be shown on the Form 1482.

(72 Stat. 1373; 26 U.S.C. 5275)

§ 211.270 Reports of bonded dealers.

Bonded dealers shall prepare monthly reports on Form 1478. Where a dealer handles both specially denatured alcohol and specially denatured rum, a separate report shall be prepared for each. Where shipments of specially denatured spirits are made for the account of a bonded dealer, as provided in § 211.137, Form 1478 of such dealer shall reflect the constructive receipt and shipment of the specially denatured spirits, followed by an explanatory notation showing the actual consignor and consignee. If specially denatured alcohol or rum is destroyed, special notation describing the transaction shall be made on the form. The dealer shall submit the original of the Form 1478 to the assistant regional commissioner not later than the 10th day of the succeeding month and retain the duplicate for his files.

(72 Stat. 1373; 26 U.S.C. 5275)

§ 211.271 Reports of users.

Persons who use specially denatured spirits or recover specially denatured spirits or articles shall prepare monthly reports on Form 1482: *Provided,* That in any instance where—

(a) The user is authorized to withdraw not over 660 gallons per annum, or

(b) The assistant regional commissioner, pursuant to application by the user who is authorized to withdraw more than 660 gallons per annum, finds that the permittee has an accounting system which will afford an adequate measure of control, and that the filing of an annual report will not interfere with the effective administration of the regulations in this part,

such permittees may submit an annual report on Form 1482, on a fiscal year basis, in lieu of monthly reports for such period. Notwithstanding the foregoing provisions, the assistant regional commissioner may at any time require the submission of monthly reports on Form 1482 by any permittee. Where both specially denatured alcohol and specially denatured rum are used, a separate report shall be prepared for each. The user shall submit the original of the Form 1482 to the assistant regional commissioner not later than the 10th

day of the month succeeding the period for which the report is submitted and retain the duplicate for his files.

(72 Stat. 1373; 26 U.S.C. 5275)

§ 211.272 Time for making of entries.

Each transaction or operation required by this subpart to be shown in the records shall be entered therein on the day on which the operation or transaction occurs, except where supplemental or auxiliary records are prepared of, and concurrent with, the individual transaction or operation, from which the records are to be posted, the making of entries on the daily records may be deferred to not later than the close of the business day next succeeding the day on which such operation or transaction occurred.

(72 Stat. 1373; 26 U.S.C. 5275)

§ 211.273 Filing and retention of records and copies of reports.

All records required by this part, all auxiliary or supplemental records of individual operations and transactions from which such records are compiled, and copies of all reports submitted to the assistant regional commissioner shall be filed and maintained for a period of not less than three years after the date of the report covering the transaction or operation, in such manner as to facilitate inspection by internal revenue officers: *Provided*, That the assistant regional commissioner may require such records to be kept for an additional period of not exceeding three years in any case where he deems such retention necessary or advisable. Records and reports shall be filed at the premises where the operations are conducted. The files of records and reports shall be available during regular business hours for examination and taking of abstracts therefrom by internal revenue officers.

(72 Stat. 1373; 26 U.S.C. 5275)

§ 211.274 Photographic copies of records.

Persons who desire to record or reproduce records required to be preserved under § 211.273, by any photographic, photostatic, microfilm, microcard, miniature photographic, or other process which accurately reproduces or forms a durable medium for so reproducing records, shall make application in triplicate, to do so, describing:

(a) The records to be reproduced.

(b) The reproduction process to be employed.

(c) The manner in which the reproductions are to be preserved.

(d) The provisions to be made for examining, viewing, and using such reproductions.

The assistant regional commissioner shall not approve any application unless (1) the Director has approved that type of records for reproduction and the reproduction process to be employed, and (2) the manner of preservation of the reproductions and the provisions for examining, viewing, and using such reproductions are satisfactory to the assistant regional commissioner. Whenever the reproduction of records is authorized under this section, such reproductions shall be retained in lieu of the original records and shall be preserved in conveniently accessible files. Provisions shall be made for examining, viewing, and using such reproductions the same as if they were original records.

(72 Stat. 1395; 26 U.S.C. 5555)

§ 211.275 Forms to be provided by users at own expense.

Forms 133 and 134 shall be provided by the users at their own expense and shall be in the form prescribed by the Director.

Subpart P—Samples

§ 211.281 Who may procure samples.

Permittees may procure samples of specially denatured spirits in advance of sales, for experimental purposes, or for the preparation of samples of finished products for submission with Form 1479–A. Permittees may use not more than 5 gallons during any calendar month of specially denatured spirits from their stock which has been withdrawn under their withdrawal permit, for experimental purposes or for preparation of samples of finished products. Applicants or prospective applicants for permits to use specially denatured spirits may procure samples of such spirits for experimental purposes or for use in the preparation of samples of finished products for submission with Form 1479–A. Such samples may be procured from the proprietor of a distilled spirits plant or a bonded dealer. Samples of 1 quart or less may be procured without a permit under § 211.283. Samples in excess of 1 quart shall not be furnished until such permit has been received.

(72 Stat. 1372; 26 U.S.C. 5273)

§ 211.282 Size of samples.

Samples of specially denatured spirits withdrawn from distilled spirits plants or bonded dealers' premises for the purposes specified in § 211.281 shall be limited to amounts sufficient for such purposes and shall not exceed 5 gallons: *Provided*, That in exceptional cases, when the necessity for the withdrawal of a sample exceeding 5 gallons is clearly shown, the assistant regional commissioner may authorize the withdrawal thereof.

(72 Stat. 1372; 26 U.S.C. 5273)

§ 211.283 Application and permit, Form 1512.

Applications for withdrawal of samples of specially denatured spirits in excess of one quart shall be made on Form 1512, in duplicate, to the assistant regional commissioner of the applicant's region. If Form 1512 is approved, the assistant regional commissioner shall return one copy to the applicant for forwarding to the vendor.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 211.284 Labels for samples.

All samples of specially denatured spirits withdrawn from a bonded dealer's premises shall be labeled as samples and shall show the name and address and permit number of the bonded dealer, the name and address of the person to whom the sample is to be sent, and the words "Specially Denatured Alcohol" or "Specially Denatured Rum," followed by the number of the formula and quantity.

(72 Stat. 1362; 26 U.S.C. 5214)

§ 211.285 Form 1473.

Form 1473 shall be used as provided in § 211.148 to cover shipment of samples of a size in excess of one quart and shall show the number of the sample permit, Form 1512. In the case of samples for shipment to a permittee, the serial number of his permit shall be entered on Form 1473 immediately below the number of the sample permit, Form 1512.

[F.R. Doc. 60–1120; Filed, Feb. 4, 1960; 8:45 a.m.]

[26 CFR (1954) Part 212]

FORMULAS FOR DENATURED ALCOHOL

Notice of Proposed Rule Making

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to final adoption of such regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing, in duplicate, to the Director, Alcohol and Tobacco Tax Division, Internal Revenue Service, Washington 25, D.C., within a period of 30 days after the date of publication of this notice in the FEDERAL REGISTER. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Director, Alcohol and Tobacco Tax Division, within the 30-day period. In such a case, a public hearing will be held, and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

[SEAL] DANA LATHAM,
Commissioner of Internal Revenue.

In order to conform the language of this part to that of the Internal Revenue Code as amended by section 201 of the Excise Tax Technical Changes Act of 1958, 72 Stat. 1313, to provide a formula for the denaturation of rum, to authorize additional denaturants in certain formulas, to authorize additional uses of certain formulas, to delete certain formulations which will be incorporated in 26 CFR Part 211, and to include additional data in the table of weights and measures, 26 CFR Part 212 is amended as follows:

1. The title of this part is amended to read "Formulas for Denatured Alcohol and Rum".

2. Section 212.1 is amended to read as follows:

§ 212.1 Formulas for denatured spirits.

The regulations in this part relate to the formulation of completely denatured alcohol, specially denatured alcohol, and specially denatured rum; to the specifications for denaturants; and to the uses of denatured spirits. The procedural and substantive requirements relative to the production of denatured alcohol and specially denatured rum are prescribed in Part 201 of this chapter and those relative to the distribution and use of denatured alcohol and specially denatured rum are prescribed in Part 211 of this chapter.

3. Section 212.2 is amended to read as follows:

§ 212.2 Forms prescribed.

The Director is authorized to prescribe all forms required by this part. All of the information called for in each form, as indicated by the headings of the various columns and lines of the form and the instructions printed thereon or issued in respect thereto and as required by this part, shall be given.

§ 212.3 [Amendment]

4. Section 212.3 is amended as follows:

(A) By striking the word "alcohol" the first two times it appears and inserting in lieu thereof the word "spirits";

(B) By inserting immediately preceding the words "formulas of" the words "denaturants or"; and

(C) By striking the words "Alcohol and Tobacco Tax Division" immediately following the word "Director".

5. A new § 212.4 is added to read as follows:

§ 212.4 Related regulations.

Regulations related to this part are listed below:

26 CFR Part 201—Distilled Spirits Plants.
26 CFR Part 211—Distribution and Use of Denatured Alcohol and Rum.

6. Section 212.5 is amended to read as follows:

§ 212.5 Meaning of terms.

When used in this part and in forms prescribed under this part, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof, terms shall have the meanings ascribed in this section. Words in the plural form shall include the singular, and vice versa, and words importing the masculine gender shall include the feminine. The terms "includes" and "including" do not exclude things not enumerated which are in the same general class.

Alcohol. Those spirits known as ethyl alcohol, ethanol, or spirits of wine, from whatever source or by whatever process produced; the term does not include such spirits as whisky, brandy, rum, gin, vodka, or products of rectification.

Assistant regional commissioner. An assistant regional commissioner (alcohol and tobacco tax) who is responsible to, and functions under the direction and supervision of, a regional commissioner.

CFR. The Code of Federal Regulations.

C.D.A. Completely denatured alcohol.

Completely denatured alcohol. Those spirits known as alcohol, as defined in this section, denatured pursuant to completely denatured alcohol formulas prescribed in Subpart C of this part.

Denaturant. A material authorized in accordance with this part, to be added to spirits in order to render such spirits unfit for beverage or internal human medicinal use.

Denatured spirits. Alcohol or rum to which denaturants have been added as provided in this part.

Director. The Director, Alcohol and Tobacco Tax Division, Internal Revenue Service, Washington, D.C.

Essential oil. One of the volatile odoriferous oils found in plants imparting to the plants odor, and often other characteristic properties, including imitation essential oils, aromatic substances, and synthetic oils which possess the denaturing characteristics of essential oils.

Gallon. The liquid measure equivalent to the volume of 231 cubic inches.

I.R.C. The Internal Revenue Code of 1954, as amended.

Manufacturer or user. A person who holds an industrial use permit to use specially denatured alcohol or specially denatured rum, or to recover completely or specially denatured alcohol, specially denatured rum, or articles manufactured with denatured spirits.

Proof. The ethyl alcohol content of a liquid at 60 degrees Fahrenheit, stated as twice the percent of ethyl alcohol by volume.

Regional Commissioner. A regional commissioner of internal revenue.

Rum. Any spirits produced from sugar cane products and distilled at less than 190° proof in such manner that the spirits possess the taste, aroma, and characteristics generally attributed to rum.

S.D.A. Specially denatured alcohol.

Specially denatured alcohol. Those spirits known as alcohol, as defined in this section, denatured pursuant to the specially denatured alcohol formulas authorized under Subpart D of this part.

Specially denatured rum. Those spirits known as rum, as defined in this section, denatured pursuant to the specially denatured rum formula authorized under subpart D.

Spirits or distilled spirits. Alcohol or rum as defined in this part.

§ 212.10 [Amendment]

7. Section 212.10 is amended by adding at the end thereof the following: "Producers of completely denatured alcohol may be authorized to add a small quantity of an odorant, rust inhibitor, or dye to completely denatured alcohol. Any such addition may be made only on approval by the Director. Request for such approval shall be submitted to the Director in triplicate. Odorants or perfume materials may be added to denaturants authorized for completely denatured alcohol in amounts not greater than 1 part to 250, by weight: *Provided,* That such addition shall not decrease the denaturing value nor change the chemical or physical constants beyond the limits of the specifications for these denaturants as prescribed in subpart E, except as to odor. Proprietors of distilled spirits plants using denaturants to which such odorants or perfume materials have been added shall inform the Director of the names and properties of the odorants or perfume materials so used."

8. The heading of Subpart D, immediately following § 212.12, is amended to read as follows: "Subpart D—Specially Denatured Spirits Formulas and Authorized Uses."

§ 212.15 [Amendment]

9. Section 212.15 is amended as follows:

(A) By deleting from the first sentence of paragraph (a) the word "will" and inserting in lieu thereof the word "shall";

(B) By adding at the end of paragraph (a) a new sentence to read "Rum for denaturation shall be of not less than 150 degrees of proof and shall be denatured in accordance with formula No. 4.";

(C) By adding in the second sentence of paragraph (b), immediately following the words "specially denatured alcohol" the words "or specially denatured rum"; and

(D) By deleting the period at the end of paragraph (b) and adding the words "or specially denatured rum.".

§ 212.16 [Amendment]

10. Section 212.16 is amended as follows:

(A) By deleting, in paragraph (b), the period following "Non-cellulose plastics" in Code No. 022, and adding a comma and the words "including resins.";

(B) By adding, in paragraph (b), two new code numbers to read:

354. Processing rosin.
355. Processing rubber (latex)

immediately following Code No. 353; and

(C) By deleting all of paragraphs (c), (d), and (e).

§ 212.17 [Amendment]

11. Section 212.17 is amended as follows:

(A) By deleting, in paragraph (b), the period following "Non-cellulose plastics" in Code No. 022, and by adding a comma and the words "including resins.";

(B) By adding, in paragraph (b), a new code number to read:

576. Organo-silicone products.

immediately following Code No. 575; and

(C) By deleting, in paragraph (c), the word "must" and inserting in lieu thereof the word "shall".

§ 212.19 [Amendment]

12. Paragraph (b) of § 212.19 is amended as follows:

(A) By changing the period to a comma following the words "Non-cellu-

lose plastics" in Code No. 022 and adding the words "including resins.";

(B) By adding two new code numbers to read:

354. Processing rosin.
355. Processing rubber (latex).

immediately following Code No. 353; and

(C) By adding a new code number to read:

576. Organo-silicone products.

immediately following Code No. 575.

§ 212.21 [Amendment]

13. Paragraph (a) of § 212.21 is amended by striking the word "add", by changing the colon following it to a comma, and by adding the words "or to every 100 gallons of rum of not less than 150 degrees of proof, add:".

§ 212.23 [Amendment]

14. Paragraph (b) of § 212.23 is amended as follows:

(A) By changing the period following the words "Non-cellulose plastics" in Code No. 022 to a comma and by adding the words "including resins.";

(B) By adding a new code number to read:

036. Adhesives and binders.

immediately following Code No. 022; and

(C) By adding a new code number to read:

354. Processing rosin.

immediately following Code No. 352.

§ 212.24 [Amendment]

15. Paragraph (b) of § 212.24 is amended by changing the period following the words "Non-cellulose plastics" in Code No. 022 to a comma and by adding the words "including resins.".

§ 212.26 [Amendment]

15a. Paragraph (a) of § 212.26 is amended to read:

(a) *Formula.* To every 100 gallons of alcohol add:

One hundred gallons of vinegar of not less than 90-grain strength or one hundred and fifty gallons of vinegar of not less than 60-grain strength.

§ 212.29 [Amendment]

16. Paragraph (b) of § 212.29 is amended by changing Code No. 430 to read:

430. Sterilizing and preserving solutions.

§ 212.30 [Amendment]

17. Section 212.30 is amended as follows:

(A) By changing Code No. 042 in paragraph (b) to read:

042. Solvents and thinners (other than proprietary solvents or special industrial solvents).

(B) By striking all of paragraph (c).

§ 212.32 [Amendment]

18. Section 212.32 is amended as follows:

(A) By adding a new code number to read:

113. Lotions and creams (hand, face, and body).

immediately following Code No. 111 in paragraph (b); and

(B) By striking all of paragraph (c).

§ 212.33 [Amendment]

19. Section 212.33 is amended by striking all of paragraphs (c), (d), and (e).

§ 212.34 [Amendment]

20. Section 212.34 is amended by striking all of paragraphs (c), (d), and (e).

§ 212.35 [Amendment]

21. Section 212.35 is amended by striking all of paragraphs (c) and (d).

§ 212.36 [Amendment]

22. Paragraph (b) of § 212.36 is amended by adding at the end thereof a new code number to read:

410. Disinfectants, insecticides, fungicides, and other biocides.

§ 212.37 [Amendment]

23. Section 212.37 is amended as follows:

(A) By adding at the end of paragraph (a) the words:

NOTE: The requirements of this formula may be met by adding one gallon of lavender oil, U.S.P., and 66.5 pounds of U.S.P. quality soap concentrate containing 25 percent water to 100 gallons of alcohol and, after mixing, by adding thereto 33.5 pounds of water and again mixing.

and

(B) By striking all of paragraphs (c) and (d).

§ 212.39 [Amendment]

24. Section 212.39 is amended as follows:

(A) By striking the phrase, "Alcohol and Tobacco Tax Division," wherever it appears; and

(B) By striking the word "will" from the last sentence of paragraph (a) and inserting in lieu thereof the word "shall".

§ 212.40 [Amendment]

25. Paragraph (b) of § 212.40 is amended by changing the period following the words "Non-cellulose plastics" in Code No. 022 to a comma and by adding the words "including resins."

§ 212.42 [Amendment]

26. Paragraph (b) of § 212.42 is amended as follows:

(A) By adding a new code number to read:

034. Cellulose intermediates and industrial collodions.

immediately following Code No. 031;

(B) By adding a new code number to read:

311. Ethyl cellulose compounds (dehydration).

immediately following Code No. 241; and

(C) By adding a new code number to read:

344. Processing medicinal chemicals, including alkaloids.

immediately following Code No. 343.

§ 212.43 [Amendment]

27. Section 212.43 is amended as follows:

(A) By inserting immediately following the words "Thirty pounds of" in paragraph (a), the words "methyl violet or"; and

(B) By striking the word "must" in the second sentence of paragraph (c) and inserting in lieu thereof the word "shall".

§ 212.45 [Amendment]

28. Paragraph (b) of § 212.45 is amended as follows:

(A) By adding a new code number to read:

512. Acetic acid.

immediately following Code No. 511; and

(B) By adding a new code number to read:

910. Animal feed supplements.

immediately following Code No. 523.

29. Section 212.46 is amended to read as follows:

§ 212.46 Formula No. 36.

(a) *Formula.* To every 100 gallons of alcohol add:

Three gallons of ammonia, aqueous, 27 to 30 percent by weight; three gallons of strong ammonia solution, U.S.P.; 17.5 pounds of caustic soda, liquid grade, containing 50 percent sodium hydroxide by weight; or 12.0 pounds of caustic soda, liquid grade, containing 73 percent sodium hydroxide by weight.

(b) *Authorized uses.* (1) As a solvent:

141. Shampoos.
142. Soap and bath preparations.
210. External pharmaceuticals (not U.S.P. or N.F.).
450. Cleaning solutions (including household detergents).

(2) As a raw material:

530. Ethylamines (for rubber processing).
540. Dyes and intermediates (ethylamines).
579. Other chemicals.

§ 212.47 [Amendment]

30. Section 212.47 is amended by striking therefrom all of paragraph (c).

§ 212.48 [Amendment]

31. Section 212.48 is amended as follows:

(A) By amending the paragraph following the listing of oils and substances to read as follows:

Where it is shown that none of the above single denaturants or combinations can be used in the manufacture of a particular product, application may be made to use another essential oil or substance having denaturing properties satisfactory to the Director. In such case the applicant shall furnish the Director with specifications and duplicate 8 ounce samples for examination.

(B) By adding, in paragraph (b), a new code number to read:

112. Bay rum.

immediately following Code No. 111;

(C) By adding, in paragraph (b), a new code number to read:

349. Miscellaneous drug processing (including manufacture of pills).

immediately following Code No. 249; and

(D) By striking all of paragraph (c).

§ 212.51 [Amendment]

32. Section 212.51 is amended as follows:

(A) By striking all of the last sentence of paragraph (a) (2), which begins "The denaturants selected"; and

(B) By adding to paragraph (b) a new code number to read:

210. External pharmaceuticals (not U.S.P. or N.F.).

immediately following Code No. 132.

§ 212.52 [Amendment]

33. Section 212.52 is amended as follows:

(A) By adding a new code number in paragraph (b) to read:

113. Lotions and creams (hand, face, and body).

immediately following Code No. 112; and

(B) By striking all of paragraph (c).

§ 212.53 [Amendment]

34. Section 212.53 is amended as follows:

(A) By striking from paragraph (a) all of the last sentence, which begins "The denaturant selected"; and

(B) By striking all of paragraph (c).

§ 212.54 [Amendment]

35. Section 212.54 is amended by striking therefrom all of paragraph (c).

§ 212.55 [Amendment]

36. Section 212.55 is amended by striking therefrom all of paragraph (c).

§ 212.56 [Amendment]

37. Section 212.56 is amended as follows:

(A) By striking from paragraph (a) all of the last sentence, which begins "The denaturant selected"; and

(B) By striking all of paragraph (c).

§ 212.57 [Amendment]

38. Section 212.57 is amended as follows:

(A) By amending paragraph (a) to read:

(a) *Formula.* To every 100 gallons of alcohol add:

One and one-half avoirdupois ounces of brucine (alkaloid), brucine sulfate (N.F. IX), or quassin, and ⅛ gallon of *tert.*-butyl alcohol.

(B) By amending paragraph (b) by adding a new code number to read:

051. Polishes.

immediately preceding Code No. 111; and

(C) By striking all of paragraph (c).

§ 212.58 [Amendment]

39. Section 212.58 is amended by striking therefrom all of paragraph (c).

40. A new § 212.68a is added, immediately following § 212.68, to read as follows:

§ 212.68a Ammonia, aqueous.

Alkalinity. Strongly alkaline to litmus.

Ammonia (NH_3) content. 27 to 30 percent by weight. Accurately weigh a glass-stoppered flask containing 25 ml. of water, add about 2 ml. of the sample, stopper, and weigh again. Add methyl red indicator, and titrate with 1N sulfuric acid. Each ml. of 1N sulfuric acid is equivalent to 17.03 mg. of NH_3.

Color. Colorless liquid.

Non-volatile residue. 2 mg. maximum. Dilute a portion of the sample with 1½ times its volume of distilled water. Evaporate 10 ml. of this product to dryness in a tared platinum or porcelain dish. Dry residue at 105° C. for one hour, cool and weigh.

Odor. Characteristic (exceedingly pungent).

Specific gravity at 20°/4° C. 0.9010 to 0.8920.

41. A new § 212.73a is added, immediately following § 212.73, to read as follows:

§ 212.73a Caustic soda, liquid.

The liquid caustic soda may consist of either 50 percent or 73 percent by weight sodium hydroxide in aqueous solution. The amount of caustic soda used shall be such that each 100 gallons of alcohol will contain not less than 8.76 pounds of sodium hydroxide, anhydrous basis.

Color. A 2 percent solution of the sodium hydroxide in water shall be water-white.

Assay. The sodium hydroxide content of the caustic soda solution shall be determined by the following procedure:

Accurately weigh two grams of liquid caustic soda into a 100 ml. volumetric flask, dissolve, and dilute to the mark with distilled water at room temperature. Transfer a 25 ml. aliquot of the solution to a titration flask, add 10 ml. of 1 percent barium chloride solution, 0.2 ml of 1 percent phenolphthalein indicator, and 50 ml. of distilled water. Titrate with 0.25 normal hydrochloric acid to the disappearance of the pink color. Not less than 25 ml. of the hydrochloric acid shall be required to neutralize the sample of diluted 50 percent caustic soda, and not less than 36.5 ml. of the hydrochloric acid shall be required to neutralize the sample of diluted 73 percent caustic soda.

1 ml. of 0.25 N hydrochloric acid equals 0.01 g. of sodium hydroxide (anhydrous).

42. Section 212.77 is amended to read as follows:

§ 212.77 Diethyl phthalate.

Refractive index at 25° C. 1.497–1.502.

Color. Colorless.

Odor. Practically odorless.

Solubility. Soluble in 20 parts of 60 percent alcohol.

Specific gravity at 25°/25° C. 1.115 to 1.118.

Ester content (as diethyl phthalate). Not less than 99 percent by weight.

NOTE: The sample taken for ester determination should be approximately 0.8 gram. The number of ml. of 0.5 N potassium hydroxide used in saponification multiplied by 0.05555 indicates the grams of ester in the sample taken for assay.

43. Section 212.78 is amended to read as follows:

§ 212.78 Ethyl acetate.

(a) *85 percent ester.*

Acidity (as acetic acid). Not more than 0.015 percent by weight.

Color. Colorless.

Odor. Characteristic odor.

Ester content. Not less than 85 percent by weight.

Specific gravity at 20°/20° C. Not less than 0.882.

Distillation range (applicable A.S.T.M. method). When 100 ml. of ethyl acetate are distilled by this method, none shall distill below 70° C.; not more than 10 ml. shall distill below 72° C., and none above 80° C.

(b) *100 percent ester.*

Acidity (as acetic acid). Not more than 0.010 percent by weight.

Color. Colorless.

Odor. Characteristic odor.

Ester content. Not less than 99 percent by weight.

Specific gravity at 20°/20° C. Not less than 0.899.

Distillation range (applicable A.S.T.M. method). When 100 ml. of ethyl acetate are distilled by this method, not more than 2 ml. shall distill below 75° C., and none above 80° C. (760 mm.).

44. A new § 212.83a is added, immediately following § 212.83, to read as follows:

§ 212.83a Methyl violet.

Methyl violet (Methylrosaniline Chloride) occurs as a dark green powder or crystals having metallic luster.

Arsenic content. Not more than 15 ppm. (as As_2O_3) as determined by the applicable U.S.P. method.

Identification test. Sprinkle about 1 mg. of sample on 1 ml. of sulfuric acid; it dissolves in the acid with an orange or brown-red color. When this solution is diluted cautiously with water, the color changes to brown, then to green, and finally to blue.

Insoluble matter. Not to exceed 0.25 percent when tested by the following method: Transfer 1.0 gram of sample to a 150 ml. beaker containing 50 ml. of alcohol. Stir to complete solution and filter through a weighed Whatman No. 4 filter paper. Wash residue with small amounts of alcohol totaling about 50 ml. Dry paper in oven for 30 minutes at 80° C. and weigh. Calculate insoluble material.

45. A new § 212.87a is added, immediately following § 212.87, to read as follows:

§ 212.87a Quassin.

Quassin is the bitter principle of quassia wood (occuring as a mixture of two isomeric forms). It shall be a good commercial grade of purified amorphous quassin, standardized as to bitterness.

Bitterness. An aqueous solution of quassin shall be distinctly bitter at a 1 to 250,000 dilution. To test: Dissolve 0.1 g. of quassin in 100 ml. of 95 percent alcohol, then dilute 4 ml. of the solution to 1,000 ml. with distilled water, mix well and taste.

Identification test. Dissolve about 0.5 gram quassin in 10 ml. of 95 percent alcohol and filter. To 5 ml. of the filtrate, add 5 ml. of concentrated hydrochloric acid and 1 mg. phloroglucinol and mix well. A red color develops.

Optical assay. When 1 gram of quassin (in solution in a small amount of 95 percent alcohol) is dissolved in 10,000 ml. of water, the absorbance of the solution in a 1 cm. cell at a wavelength of 258 millimicrons shall be not less than 0.400.

Solubility. When 0.5 gram of quassin is added to 25 ml. of 190 proof alcohol, it shall dissolve completely.

§ 212.94 [Amendment]

46. Section 212.94 is amended by striking the parenthetical expression "(or SDA No. 30)" in the two places where it appears and by inserting in lieu thereof the parenthetical expression "(or SDA No. 3–A or No. 30)".

46a. Section 212.95 is amended to read:

§ 212.95 Vinegar.

(a) *Vinegar, 90-grain.*

Acidity (as acetic acid). 9.0 percent by weight, minimum.

(b) *Vinegar, 60-grain.*

Acidity (as acetic acid). 6.0 percent by weight, minimum.

§ 212.96 [Amendment]

47. Section 212.96 is amended by striking the word "acetone" from the second sentence, which begins "It may be a blend of", and from the first sentence under the heading "Pyroligneous bodies", and by inserting in lieu thereof the word "ketone."

48. Subpart F is amended to read as follows:

Subpart F—Uses of Specially Denatured Alcohol and Specially Denatured Rum

§ 212.105 Listing of products and processes using specially denatured alcohol and rum and formulas authorized therefor.

This section gives a listing, alphabetically by product or process, of formulas of specially denatured alcohol authorized for use in such products or processes, and a listing of the code numbers assigned thereto. Specially denatured rum, as well as specially denatured alcohol, may be used in tobacco sprays and flavors, Code No. 460, under Formula No. 4.

USES OF SPECIALLY DENATURED ALCOHOL [1]

Product or process	Code No.	Formulas authorized
Acetaldehyde	551	1, 2-B, 29.
Acetic acid	512	1, 2-B, 29, 35-A.
Adhesives and binders	036	1, 3-A, 12-A, 23-A, 30.
Aldehydes, miscellaneous	552	1, 2-B, 29.
Alkaloids (processing)	344	1, 2-B, 2-C, 3-A, 12-A, 13-A, 17, 23-A, 30, 32, 35-A.
Animal feed supplement	910	35-A.
Antibiotics (processing)	343	1, 2-B, 3-A, 12-A, 13-A, 23-A, 30, 32, 35-A.
Antifreeze, proprietary	760	1.
Antiseptic, bathing solution (restricted).	220	46.
Antiseptic solutions, U.S.P. or N.F.	244	37, 38-B, 38-F.
Bath preparations	142	1, 3-A, 3-B, 23-A, 30, 36, 38-B, 39-B, 39-C, 40, 40-A.
Bay rum	112	23-A, 37, 38-B, 39, 39-B, 39-D, 40, 40-A.
Biocides, miscellaneous	410	1, 3-A, 3-B, 23-A, 23-H, 27-A, 27-B, 30, 37, 38-B, 39-B, 40, 40-A.
Blood and blood products (processing).	345	1, 3-A, 12-A, 13-A, 23-A, 30.
Brake fluids	720	1, 3-A.
Candy glazes	015	13-A, 23-A, 35, 35-A, 45.
Cellulose coatings	011	1, 23-A.
Cellulose compounds (dehydration).	311	1, 2-B, 3-A, 32.
Cellulose intermediates	034	1, 3-A, 13-A, 19, 23-A, 32.
Chemicals (miscellaneous)	579	1, 2-B, 2-C, 3-A, 6-B, 12-A, 13-A, 17, 20, 29, 30, 32, 36.
Cleaning solutions	450	1, 3-A, 23-A, 23-H, 30, 35, 39-B, 40.
Coatings, miscellaneous	016	1, 23-A.
Collodions, industrial	034	1, 3-A, 13-A, 19, 23-A, 32.
Collodions, U.S.P. or N.F.	241	13-A, 19, 32.
Colognes	122	38-B, 39, 39-A, 39-B, 39-C, 40, 40-A.
Crude drugs (processing)	341	1, 2-B, 3-A, 23-A, 30.
Cutting oils	730	1, 3-A.

See footnotes at end of table.

USES OF SPECIALLY DENATURED ALCOHOL [1]—Continued

Product or process	Code No.	Formulas authorized
Dehydration products, miscellaneous.	315	1, 2-B, 3-A.
Dentifrices	131	31-A, 37, 38-B, 38-C, 38-D.
Deodorants (body)	114	23-A, 38-B, 39-B, 39-C, 40, 40-A.
Detergents, household	450	1, 3-A, 23-A, 23-H, 30, 36, 39-B, 40.
Detergents, industrial	440	1, 3-A, 23-A, 30.
Detonators	574	1, 6-B.
Disinfectants	410	1, 3-A, 3-B, 23-A, 23-H, 27-A, 27-B, 30, 37, 38-B, 39-B, 40, 40-A.
Drugs and medicinal chemicals.	575	1, 2-B, 2-C, 3-A, 6-B, 12-A, 13-A, 17, 29, 30, 32.
Drugs, miscellaneous (processing).	349	1, 2-B, 3-A, 13-A, 23-A, 30, 35-A, 38-B.
Duplicating fluids	485	1, 3-A, 30.
Dyes and intermediates	540	1, 2-B, 2-C, 3-A, 12-A, 29, 36.
Dyes and intermediates (processing).	351	1, 2-B, 3-A, 12-A.
Dye solutions, miscellaneous.	482	1, 3-A, 23-A, 30, 39-C, 40.
Embalming fluids, etc	420	1, 3-A, 22, 23-A.
Esters, ethyl (miscellaneous).	523	1, 2-B, 2-C, 3-A, 6-B, 12-A, 13-A, 17, 29, 32, 35-A.
Ether, ethyl	561	1, 2-B, 13-A, 29, 32.
Ethers, miscellaneous	562	1, 2-B, 13-A, 29, 32.
Ethyl acetate	521	1, 2-B, 29, 35-A.
Ethylamines (rubber processing).	530	1, 2-B, 2-C, 3-A, 12-A, 29, 36.
Ethyl chloride	522	1, 2-B, 29, 32.
Ethylene dibromide	571	1, 2-B, 29, 32.
Ethylene gas	572	1, 2-B, 29, 32.
Explosives	033	1, 2-B, 3-A.
External pharmaceuticals (not U.S.P. or N.F.).	210	23-A, 23-F, 23-H, 27-A, 27-B, 36, 37, 38-B, 38-F, 39-B, 40, 40-A.
External pharmaceuticals, miscellaneous (U.S.P. or N.F.).	249	23-A, 25, 25-A, 38-B.
Fluid uses, miscellaneous	750	1, 3-A, 23-A, 30.
Food products, miscellaneous (processing).	332	1, 2-B, 3-A, 13-A, 23-A, 30, 32, 35-A.
Fuel uses, miscellaneous	630	1, 3-A, 28-A.
Fuels, airplane and supplementary.	612	1, 3-A, 28-A.
Fuels, automobile and supplementary.	611	1, 3-A, 28-A.
Fuels, proprietary heating	620	1, 3-A, 28-A.
Fuels, rocket and jet	613	1, 3-A, 28-A.
Fungicides	410	1, 3-A, 3-B, 23-A, 23-H, 27-A, 27-B, 30, 37, 38-B, 39-B, 40, 40-A.
Glandular products (processing).	342	1, 2-B, 3-A, 12-A, 13-A, 23-A, 30, 32, 35-A.
Hair and scalp preparations	111	3-B, 23-A, 23-F, 23-H, 37, 38-B, 39, 39-A, 39-B, 39-C, 39-D, 40, 40-A.
Hormones (processing)	342	1, 2-B, 3-A, 12-A, 13-A, 23-A, 30, 32, 35-A.
Incense	470	3-A, 22, 37, 38-B, 39-B, 39-C, 40, 40-A.
Inks	052	1, 3-A, 13-A, 23-A, 30, 32, 33.
Insecticides	410	1, 3-A, 3-B, 23-A, 23-H, 27-A, 27-B, 30, 37, 38-B, 39-B, 40, 40-A.
Iodine solutions (including U.S.P. and N.F. tinctures).	230	25, 25-A.
Laboratory reagents (for sale).	810	3-A, 30.
Laboratory uses [2]	810	3-A, 30.
Lacquer thinners	042	1, 23-A.
Liniments (U.S.P. or N.F.)	243	27, 27-B, 38-B.
Lotions and creams (body, face, and hand).	113	23-A, 23-H, 31-A, 37, 38-B, 39, 39-B, 39-C, 40, 40-A.
Medicinal chemicals (processing).	344	1, 2-B, 2-C, 3-A, 12-A, 13-A, 17, 23-A, 30, 32, 35-A.
Miscellaneous chemicals (processing).	358	1, 2-B, 2-C, 3-A, 12-A, 13-A, 17, 23-A, 30, 35-A.
Miscellaneous products (processing).	359	1, 2-B, 2-C, 3-A, 12-A, 13-A, 17, 23-A, 30, 35-A.
Mouth washes	132	37, 38-B, 38-C, 38-D, 38-F.
Organo-silicone products	576	2-B, 3-A.
Pectin (processing)	331	1, 2-B, 3-A, 13-A, 23-A, 30, 35-A.
Perfume materials (processing).	352	1, 2-B, 3-A, 12-A, 13-A, 30.

USES OF SPECIALLY DENATURED ALCOHOL [1]—Continued

Product or process	Code No.	Formulas authorized
Perfumes and perfume tinctures.	121	38-B, 39, 39-B, 39-C, 40, 40-A.
Petroleum products	320	1, 2-B, 3-A.
Photoengraving dyes and solutions.	481	1, 3-A, 13-A, 30, 32.
Photographic chemicals (processing).	353	1, 2-B, 3-A, 13-A, 30.
Photographic film and emulsions.	031	1, 2-B, 3-A, 13-A, 19, 30, 32.
Pill and tablet manufacture.	349	1, 2-B, 3-A, 13-A, 23-A, 30, 35-A, 38-B.
Plastics, cellulose	021	1, 2-B, 3-A, 12-A, 13-A, 30.
Plastics, non-cellulose (including resins).	022	1, 2-B, 3-A, 12-A, 13-A, 30.
Polishes	051	1, 3-A, 30, 40.
Preserving solutions	430	1, 3-A, 12-A, 13-A, 22, 23-A, 30, 32, 37, 38-B, 42, 44.
Proprietary solvents (standard formulas).	041	1.
Refrigerating uses	740	1, 3-A, 23-A, 30.
Resin coatings, natural	014	1, 23-A.
Resin coatings, synthetic	012	1, 23-A.
Room deodorants	470	3-A, 22, 37, 38-B, 39-B, 39-C, 40, 40-A.
Rosin (processing)	354	1, 3-A, 12-A.
Rotogravure dyes and solutions.	481	1, 3-A, 13-A, 30, 32.
Rubber (latex) (processing)	355	1, 3-A.
Rubber, synthetic	580	29, 32.
Rubbing alcohol compound.	220	23-H.
Scientific instruments	710	1, 3-A.
Shampoos	141	1, 3-A, 3-B, 23-A, 27-B, 31-A, 36, 38-B, 39-A, 39-B, 40, 40-A.
Shellac coatings	013	1, 23-A.
Soaps, industrial	440	1, 3-A, 23-A, 30.
Soaps, toilet	142	1, 3-A, 3-B, 23-A, 30, 36, 38-B, 39-B, 39-C, 40, 40-A.
Sodium ethylate, anhydrous (restricted)	524	2-B, 2-C.
Sodium hydrosulfite (dehydration).	312	1, 2-B, 3-A.
Soldering flux	035	1, 3-A, 23-A, 30.
Solutions, miscellaneous	485	1, 3-A, 23-A, 30, 39-B, 40, 40-A.
Solvents and thinners, miscellaneous.	042	1, 23-A.
Solvents, special (restricted sale).	043	1.
Stains (wood)	053	1, 3-A, 23-A, 30.
Sterilizing solutions	430	1, 3-A, 12-A, 13-A, 22, 23-A, 30, 32, 37, 38-B, 42, 44.
Theater sprays	470	3-A, 22, 37, 38-B, 39-B, 39-C, 40, 40-A.
Tobacco sprays and flavors	460	4.
Toilet waters	122	38-B, 39, 39-A, 39-B, 39-C, 40, 40-A.
Transparent sheetings	032	1, 2-B, 3-A, 13-A, 23-A.
Unclassified uses [3]	900	1, 3-A.
Vaccine (processing)	343	1, 2-B, 3-A, 12-A, 13-A, 23-A, 30, 32, 35-A.
Vinegar	511	18, 35-A.
Vitamins (processing)	342	1, 2-B, 3-A, 12-A, 13-A, 23-A, 30, 32, 35-A.
Xanthates	573	1, 2-B, 2-C, 29.
Yeast (processing)	342	1, 2-B, 3-A, 12-A, 13-A, 23-A, 30, 32, 35-A.

[1] Other products or processes may be authorized by the Director under § 212.15(b).

[2] Formula No. 3-A and Formula No. 30 are authorized for general laboratory purposes under Code 810. Other formulas may be authorized for laboratory use in connection with specific product development.

[3] Persons desiring other formulas for this use should indicate the fact in the space provided for this purpose on Form 1479-A.

49. Subpart G is amended to read as follows:

Subpart G—Denaturants Authorized for Denatured Spirits

§ 212.110 Listing of denaturants authorized for denatured spirits.

Following is an alphabetical listing of denaturants authorized for use in denatured spirits:

Denaturants Authorized for Completely Denatured Alcohol (C.D.A.) Specially Denatured Alcohol (S.D.A.), and Specially Denatured Rum (S.D.R.)

Acetaldehyde	S.D.A. 29.
Acetone N.F.	S.D.A. 23–A; 23–H.
Acetaldol	C.D.A. 18.
Almond oil, bitter N.F.	S.D.A. 38–B.
Ammonia, aqueous	S.D.A. 36.
Ammonia solution, strong U.S.P.	S.D.A. 36.
Anethole U.S.P.	S.D.A. 38–B.
Anise oil U.S.P.	S.D.A. 38–B.
Bay oil (myrcia oil) N.F.	S.D.A. 23–F; 38–B; 39–D.
Benzaldehyde N.F.	S.D.A. 38–B.
Benzine	S.D.A. 2–B; 2–C; 12–A.
Bergamot oil N.F.	S.D.A. 23–F; 38–B.
Bone oil (dipple's oil)	S.D.A. 17.
Boric acid U.S.P.	S.D.A. 38–F.
Brucine alkaloid	S.D.A. 40.
Brucine sulfate N.F. IX	S.D.A. 40.
n-Butyl alcohol	S.D.A. 44.
tert.-Butyl alcohol	S.D.A. 39; 39–A; 39–B; 40; 40–A.
Camphor U.S.P.	S.D.A. 27; 27–A; 38–B.
Caustic soda, liquid	S.D.A. 36.
Cedar leaf oil U.S.P. XIII	S.D.A. 38–B.
Chloroform	S.D.A. 20.
Chlorothymol N.F.	S.D.A. 38–B; 38–F.
Cinchonidine	S.D.A. 39–A.
Cinchonidine sulfate N.F. IX	S.D.A. 39–A.
Cinnamic aldehyde (cinnamaldehyde) N.F. IX	S.D.A. 38–B.
Cinnamon oil (cassia oil) U.S.P.	S.D.A. 38–B.
Citronella oil, natural	S.D.A. 38–B.
Clove oil U.S.P.	S.D.A. 27–A; 38–B.
Coal tar U.S.P.	S.D.A. 38–B.
Diethyl phthalate	S.D.A. 39–B; 39–C.
Ethyl acetate	S.D.A. 35; 35–A.
Ethyl ether	S.D.A. 13–A; 19; 32.
Eucalyptol U.S.P.	S.D.A. 37; 38–B.
Eucalyptus oil N.F.	S.D.A. 38–B.
Eugenol U.S.P.	S.D.A. 38–B.
Formaldehyde solution U.S.P.	S.D.A. 22; 38–C; 38–D.
Gasoline	S.D.A. 28–A.
Glycerol U.S.P.	S.D.A. 31–A.
Guaiacol N.F.	S.D.A. 38–B.
Iodine U.S.P.	S.D.A. 25; 25–A.
Kerosene	C.D.A. 18; 19.
Lavender oil U.S.P.	S.D.A. 27–B; 38–B.
Menthol, U.S.P.	S.D.A. 37; 38–B; 38–C; 38–D; 38–F.
Mercuric iodide, red N.F.	S.D.A. 42.
Methyl alcohol	S.D.A. 3–A; 30.
Methylene blue N.F.	S.D.A. 4; S.D.R. 4.
Methyl isobutyl ketone	C.D.A. 18; 19; S.D.A. 23–H.
Methyl violet (methylrosaniline chloride)	S.D.A. 33.
Methyl violet (methylrosaniline chloride) U.S.P.	S.D.A. 33.
Mustard oil, volatile (allyl isothiocyanate), U.S.P. XII	S.D.A. 38–B.
Nicotine solution	S.D.A. 4; S.D.R. 4.
Peppermint oil U.S.P.	S.D.A. 38–B.
Phenol U.S.P.	S.D.A. 38–B; 46.
Phenyl mercuric benzoate	S.D.A. 42.
Phenyl mercuric chloride N.F. IX	S.D.A. 42.
Phenyl mercuric nitrate N.F.	S.D.A. 42.
Phenyl salicylate (salol) N.F.	S.D.A. 38–B.
Pine needle oil, dwarf N.F.	S.D.A. 38–B.
Pine oil, N.F.	S.D.A. 38–B.
Pine tar, N.F.	S.D.A. 3–B.
Potassium iodide, U.S.P.	S.D.A. 25; 25–A; 42.

Denaturants Authorized for Completely Denatured Alcohol (C.D.A.) Specially Denatured Alcohol (S.D.A.), and Specially Denatureed Rum (S.D.R.)—Continued

Pyridine bases	S.D.A. 6–B.
Pyronate	C.D.A. 18.
Quassia, fluid extract, N.F. VII	S.D.A. 39.
Quassin	S.D.A. 40.
Quinine N.F.	S.D.A. 39–A.
Quinine bisulfate N.F.	S.D.A. 39–A; 39–D.
Quinine hydrochloride U.S.P.	S.D.A. 39–A.
Quinine sulfate U.S.P.	S.D.A. 39–D.
Resorcin U.S.P.	S.D.A. 23–F.
Rosemary oil N.F.	S.D.A. 27; 38–B.
Rubber hydrocarbon solvent	S.D.A. 2–B; 2–C.
Safrol	S.D.A. 38–B.
Salicylic acid U.S.P.	S.D.A. 23–F; 39.
Sassafras oil N.F.	S.D.A. 38–B.
Shellac (refined)	S.D.A. 45.
Sodium iodide, U.S.P.	S.D.A. 25; 25–A.
Sodium, metallic	S.D.A. 2–C.
Sodium salicylate U.S.P.	S.D.A. 39; 39–D.
Soap, hard N.F.	S.D.A. 31–A.
Soap, medicinal soft U.S.P.	S.D.A. 27–B.
Spearmint oil N.F.	S.D.A. 38–B.
Spearmint oil, terpeneless	S.D.A. 38–B.
Spike lavender oil, natural	S.D.A. 38–B.
Storax U.S.P.	S.D.A. 38–B.
Sucrose octa-acetate	S.D.A. 40–A.
Thimerosal N.F.	S.D.A. 42.
Thyme oil N.F.	S.D.A. 38–B.
Thymol N.F.	S.D.A. 37; 38–B; 38–F.
Tolu balsam U.S.P.	S.D.A. 38–B.
Turpentine oil N.F.	S.D.A. 38–B.
Vinegar	S.D.A. 18.
Wintergreen oil (methyl salicylate) U.S.P.	S.D.A. 38–B; 46.
Wood alcohol	S.D.A. 1.

§ 212.115 [Amendment]

50. The table of weights and specific gravities contained in § 212.115, and the footnotes thereto, are amended to read as follows:

Weights and Specific Gravities of Specially Denatured Alcohol [1]

[Slight deviations from this table may occur due to variations in specific gravities of authorized denaturants. Values for 190° proof determined experimentally by National Bureau of Standards. Other values calculated from these gravities.]

SDA Formula No.	Finished formula (gal.)	190° proof		192° proof		200° proof	
		Wt./gal. in air (pounds)	Sp. gr. in vac.	Wt./gal. in air (pounds)	Sp. gr. in vac.	Wt./gal. in air (pounds)	Sp. gr. in vac.
1	105.0	6.788	0.8153	6.757	0.8115	6.612	0.7942
2-B	100.5	6.795	.8161	6.762	.8121	6.612	.7941
2-C	99.5					6.959	.8358
3-A	105.0	6.785	.8149	6.753	.8111	6.609	.7938
3-B	101.0	6.810	.8179	6.777	.8140	6.627	.7960
4	100.8	6.823	.8195	6.791	.8156	6.640	.7975
6-B	100.5	6.801	.8169	6.768	.8129	6.618	.7949
12-A	105.0	6.820	.8192	6.789	.8154	6.645	.7981
13-A	109.7	6.740	.8095	6.710	.8059	6.572	.7893
17	100.05	6.795	.8161	6.762	.8121	6.611	.7940
18	195.4	7.802	.9369	7.785	.9349	7.708	.9256
19	197.9	6.468	.7769	6.452	.7749	6.375	.7657
20	104.9	7.062	.8481	7.030	.8443	6.886	.8270
22	109.5	7.037	.8451	7.007	.8415	6.868	.8249
23-A	109.9	6.788	.8153	6.758	.8117	6.621	.7952
23-F	101.5	6.808	.8177	6.776	.8138	6.627	.7959
23-H	109.45	6.785	.8149	6.755	.8113	6.617	.7947

See footnotes at end of table.

Weights and Specific Gravities of Specially Denatured Alcohol [1]—Continued

SDA Formula No.	Finished formula (gal.)	190° proof		129° proof		200° proof	
		Wt./gal. in air (pounds)	Sp. gr. in vac.	Wt./gal. in air (pounds)	Sp. gr. in vac.	Wt./gal. in air (pounds)	Sp. gr. in vac.
25	100.9	7.080	.8502	7.047	.8463	6.897	.8283
25 [2]	100.9	7.083	.8506	7.050	.8467	6.900	.8287
25-A	102.5	7.119	.8550	7.087	.8511	6.939	.8334
25-A [2]	102.5	7.117	.8548	7.085	.8509	6.938	.8332
27	104.7	6.846	.8222	6.814	.8184	6.670	.8011
27-A	105.2	6.867	.8247	6.835	.8209	6.692	.8037
27-B	112.0	7.027	.8439	6.998	.8404	6.862	.8241
28-A	101.0	6.786	.8150	6.753	.8111	6.603	.7931
29	101.0	6.822	.8194	6.790	.8155	6.640	.7975
30	110.0	6.785	.8149	6.755	.8113	6.617	.7948
31-A	111.5	7.167	.8608	7.138	.8572	7.002	.8409
32	104.8	6.769	.8130	6.737	.8092	6.593	.7919
33	102.9	6.893	.8279	6.861	.8240	6.714	.8064
35 [3]	135.0	6.956	.8355	6.933	.8326	6.820	.8191
35 [4]	129.75	6.963	.8362	6.937	.8331	6.820	.8191
35-A [3]	105.0	6.817	.8187	6.785	.8149	6.641	.7976
35-A [4]	104.25	6.826	.8197	6.794	.8159	6.649	.7985
36	102.7	6.837	.8211	6.804	.8172	6.657	.7995
37	100.9	6.794	.8160	6.762	.8121	6.612	.7941
38-B	101.3	6.804	.8172	6.772	.8133	6.622	.7953
38-C	102.6	6.832	.8206	6.800	.8167	6.652	.7990
38-D	102.7	6.863	.8242	6.830	.8203	6.682	.8026
38-F	100.9	6.828	.8201	6.796	.8162	6.646	.7982
39	102.0	6.867	.8247	6.834	.8208	6.686	.8030
39-A	100.5	6.810	.8179	6.777	.8139	6.627	.7959
39-B	102.7	6.857	.8236	6.825	.8197	6.677	.8020
39-C	101.0	6.819	.8189	6.792	.8157	6.642	.7977
39-D	101.3	6.819	.8190	6.787	.8151	6.637	.7971
40	100.1	6.795	.8161	6.762	.8121	6.611	.7940
40-A	100.5	6.815	.8185	6.782	.8145	6.632	.7965
42	100.0	6.797	.8164	6.764	.8124	6.613	.7943
44	110.0	6.790	.8155	6.760	.8119	6.622	.7954
45	129.8	7.545	.9061	7.520	.9030	7.403	.8890
46	100.1	6.805	.8173	6.772	.8133	6.621	.7952

[1] Where alternate denaturants are permitted, the above weights are based on the first denaturant or combination listed in the formula.
[2] With sodium iodide.
[3] Calculated on the basis of 85 percent ethyl acetate.
[4] Calculated on the basis of 100 percent ethyl acetate

[F.R. Doc. 60–1121; Filed, Feb. 4, 1960; 8:45 a.m.]

[26 CFR (1954) Part 213]

DISTRIBUTION AND USE OF TAX-FREE ALCOHOL

Notice of Proposed Rule Making

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to final adoption of such regulations, consideration will be given to data, views, or arguments pertaining thereto which are submitted in writing, in duplicate, to the Director, Alcohol and Tobacco Tax Division, Internal Revenue Service, Washington 25, D.C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Director, Alcohol and Tobacco Tax Division, within the 30-day period. In such a case, a public hearing will be held and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

[SEAL] DANA LATHAM,
Commissioner of Internal Revenue.

In order to provide separate regulations covering the distribution and use of tax-free alcohol, to further implement certain provisions of Title II of Public Law 85–859 (72 Stat. 1313), and to liberalize certain requirements with respect of the distribution and use of tax-free alcohol, the following regulations are hereby prescribed as Part 213 of Title 26 of the Code of Federal Regulations:

Preamble. 1. The regulations in this part shall supersede regulations in Part 182 of this chapter to the extent that such part relates to the distribution and use of tax-free alcohol, and shall supersede in their entirety regulations in Subpart N of Part 170 of this chapter.

2. These regulations shall not affect any act done (except as provided in paragraph 3) or any liability or right accruing or accrued, or any suit or proceeding had or commenced before the effective date of these regulations.

3. The regulations in this part shall be effective on July 1, 1960. Any act done prior to such date to qualify a permittee under this part, or otherwise provide for orderly administration of this part, shall be subject to these regulations and shall have the same effect as if done on July 1, 1960.

Subpart A—Scope

Subpart B—Definitions

Subpart C—Administrative Provisions

AUTHORITIES

LIABILITY FOR TAX

DESTRUCTION OF MARKS AND BRANDS

DOCUMENT REQUIREMENTS

Subpart D—Qualification

APPLICATION FOR INDUSTRIAL USE PERMIT

INDUSTRIAL USE PERMIT, FORM 1447

CHANGES AFTER ORIGINAL QUALIFICATION

REGISTRY OF STILLS

PERMANENT DISCONTINUANCE OF USE OF TAX-FREE ALCOHOL

Subpart E—Bonds and Consents of Surety

Subpart F—Premises and Equipment

Subpart G—Withdrawal and Use of Tax-Free Alcohol

AUTHORITY: §§ 213.1 to 213.176 issued under sec. 7805, 68A Stat. 917; 26 U.S.C. 7805. Statutory provisions interpreted or applied are cited to text in parentheses.

Subpart A—Scope

§ 213.1 General.

The regulations in this part relate to tax-free alcohol and cover the procurement, storage, use, and recovery of such alcohol.

§ 213.2 Territorial extent.

This part applies to the several States of the United States and the District of Columbia.

§ 213.3 Related regulations.

Regulations related to this part are listed below:

26 CFR Part 186—Gauging Manual.
26 CFR Part 196—Stills.
26 CFR Part 200—Rules of Practice in Permit Proceedings.
26 CFR Part 201—Distilled Spirits Plants.
26 CFR Part 250—Liquors and Articles From Pureto Rico and the Virgin Islands.
26 CFR Part 251—Importation of Distilled Spirits, Wines, and Beer.
31 CFR Part 225—Acceptance of Bonds, Notes, or Other Obligations Issued or Guaranteed by the United States as Security in Lieu of Surety or Sureties on Penal Bonds.

Subpart B—Definitions

§ 213.11 Meaning of terms.

When used in this part and in forms prescribed under this part, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof, terms shall have the meaning ascribed in this section. Words in the plural form shall include the singular, and vice versa, and words importing the masculine gender shall include the feminine. The terms "includes" and "including" do not exclude things not enumerated which are in the same general class.

Alcohol. Spirits having a proof of 190 degrees or more when withdrawn from bond, including all subsequent dilutions and mixtures thereof, from whatever source or by whatver process produced.

Assistant regional commissioner. An assistant regional commissioner (alcohol and tobacco tax) who is responsible to, and functions under the direction and supervision of, a regional commissioner.

CFR. The Code of Federal Regulations.

Commissioner. The Commissioner of Internal Revenue.

Director. The Director, Alcohol and Tobacco Tax Division, Internal Revenue Service, Washington, D.C.

Executed under penalties of perjury. Signed with the declaration "I declare under the penalties of perjury that this ---------- (insert type of document, such as statement, claim, certificate), including any documents submitted in support thereof, has been examined by me and, to the best of my knowledge and belief, is true, correct, and complete."

Fiduciary. A guardian, trustee, executor, administrator, receiver, conservator, or any person acting in any fiduciary capacity for any person.

Gallon or wine gallon. The liquid measure equivalent to the volume of 231 cubic inches.

Industrial use permit. The document issued pursuant to section 5271(a), I.R.C., authorizing the person named therein to use tax-free alcohol, as described therein.

I.R.C. The Internal Revenue Code of 1954, as amended.

Internal revenue officer. An officer or employee of the Internal Revenue Service duly authorized to perform any function relating to the administration or enforcement of this part.

Permittee. Any person holding an industrial use permit on Form 1447.

Person. An individual, trust, estate, partnership, association, company, or corporation.

Proof. The ethyl alcohol content of a liquid at 60 degrees Fahrenheit, stated as twice the percent of ethyl alcohol by volume.

Proof gallon. A gallon at 60 degrees Fahrenheit which contains 50 percent by volume of ethyl alcohol having a specific gravity of 0.7939 at 60 degrees Fahrenheit referred to water at 60 degrees Fahrenheit as unity, or the alcoholic equivalent thereof.

Region. An internal revenue region.

Regional Commissioner. A regional commissioner of internal revenue.

Restoration. Restoring to the original state of recovered tax-free alcohol, including redistillation of the recovered alcohol to 190 degrees or more of proof and the removal of foreign materials by redistillation, filtration, or other suitable means.

Secretary. The Secretary of the Treasury.

Spirits or distilled spirits. The substance known as ethyl alcohol, ethanol, or spirits of wine, having a proof of 190 degrees or more when withdrawn from bond, including all subsequent dilutions and mixtures thereof, from whatever source or by whatever process produced.

This chapter. Chapter I, Title 26, Code of Federal Regulations.

U.S.C. The United States Code.

Withdrawal permit. The document issued purusant to section 5271(a), I.R.C., authorizing the person named therein to withdraw tax-free alcohol, as specified therein, from the premises of a distilled spirits plant.

Subpart C—Administrative Provisions

AUTHORITIES

§ 213.21 Forms prescribed.

The Director is authorized to prescribe all forms required by this part. All of the information called for in each form shall be furnished, as indicated by the headings on the form and the instructions thereon or issued in respect thereto, and as required by this part.

§ 213.22 Variations from requirements.

The Director may approve construction, equipment, and methods of operation, other than as specified in this part, where he finds that an emergency exists and the proposed variations from the specified requirements are necessary, and the proposed variations:

(a) Will afford the security and protection of the revenue intended by the prescribed specifications,

(b) Will not hinder the effective administration of this part, and

(c) Will not be contrary to any provision of law.

Variations from requirements granted under this section are conditioned on compliance with the procedures, conditions, and limitations with respect thereto set forth in the approval of the application. Failure to comply in good faith with such procedures, conditions, and limitations shall automatically terminate the authority for such variations and the permittee thereupon shall fully comply with the prescribed requirements of regulations from which the variations were authorized. Authority for any variations may be withdrawn whenever in the judgment of the Director the revenue is jeopardized or the effective administration of this part is hindered by the continuation of such variation. Where a permittee desires to employ such variation, he shall submit a written application to do so, in triplicate, to the assistant regional commissioner for transmittal to the Director. The application shall describe the proposed variations and set forth the reasons therefor. Variations shall not be employed until the application has been approved.

§ 213.23 Allowance of claims.

The assistant regional commissioner is authorized to allow claims for losses of tax-free alcohol.

§ 213.24 Permits.

The Director shall issue permits covering the use of tax-free spirits by the United States or a Governmental agency thereof. The assistant regional commissioner is authorized to issue all other industrial use permits and withdrawal permits required under this part.

§ 213.25 Bonds and consents of surety.

The assistant regional commissioner is authorized to approve all bonds and consents of surety required by this part.

§ 213.26 Right of entry and examination.

An internal revenue officer may enter during regular business hours any premises qualified under this part for the purpose of inspecting records and reports required to be maintained on such premises. Such officer may also inspect and take samples of tax-free alcohol to which such records and reports relate.

(72 Stat. 1373; 26 U.S.C. 5275)

§ 213.27 Detention of containers.

Any internal revenue officer may detain any container containing, or supposed to contain, alcohol when he has reason to believe that such alcohol was withdrawn, sold, transported, or used in violation of law or this part; and every such container shall be held by him at a safe place until it shall be determined whether the property so detained is liable by law to be proceeded against for forfeiture; but such summary detention shall not continue in any case longer than 72 hours without process of law or intervention of the assistant regional commissioner, unless the person in possession of the container immediately prior to its detention, in consideration of the container being kept on his premises during detention, executes a waiver of the 72-hours limitation on detention of the container.

(72 Stat. 1375; 26 U.S.C. 5311)

LIABILITY FOR TAX

§ 213.28 Persons liable for tax.

Any person who removes, sells, transports, or uses alcohol, withdrawn free of tax, in violation of laws or regulations pertaining thereto, and all such alcohol shall be subject to all provisions of law pertaining to distilled spirits subject to tax, including those requiring payment of the tax thereon; and the person so removing, selling, transporting, or using the alcohol shall be required to pay such tax.

(72 Stat. 1314; 26 U.S.C. 5001)

DESTRUCTION OF MARKS AND BRANDS

§ 213.29 Time of destruction of marks and brands.

The marks and brands required by regulations to be placed on containers of tax-free alcohol shall not be destroyed or altered until all of the alcohol has been entirely removed from the package. When containers of tax-free alcohol have been emptied, the marks and brands shall at once be completely effaced and obliterated.

(72 Stat. 1358; 26 U.S.C. 5205)

DOCUMENT REQUIREMENTS

§ 213.30 Execution under penalties of perjury.

Any document required by this part to be executed under the penalties of perjury shall be signed by the permittee or his duly authorized agent and shall include, immediately above the signature, a statement that it is executed under the penalties of perjury, as defined in § 213.11.

(68A Stat. 749; 26 U.S.C. 6065)

§ 213.31 Filing of qualifying documents.

All documents returned to a permittee or other person as evidence of compliance with requirements of this part, or as authorizations, shall, except as otherwise provided, be kept readily available for inspection by an internal revenue officer during business hours.

Subpart D—Qualification

APPLICATION FOR INDUSTRIAL USE PERMIT

§ 213.41 Application for industrial use permit.

Every person desiring to use tax-free alcohol shall, before commencing such use, make application for and obtain an industrial use permit, Form 1447. Application, Form 2600, and necessary supporting documents, as required by this subpart, shall be filed with the assistant regional commissioner. All data, written statements, affidavits, and other documents submitted in support of the application shall be deemed to be a part thereof. A State, municipal subdivision thereof, or the District of Columbia may file an application for and receive a single permit on Form 1447 authorizing the use of alcohol free of tax in a number of institutions under its control if the method of storing, distributing, and accounting for the alcohol withdrawn under the permit is satisfactory to the assistant regional commissioner. Such application shall be accompanied by evidence which will establish the authority of the officer or other person who executes the application to execute the same and, where applicable, by the application for a withdrawal permit, Form 1450, required by § 213.109.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 213.42 Data for application.

Each application on Form 2600 shall include the following information:

(a) Serial number and purpose for which filed.

(b) Name and principal business address of applicant.

(c) Location, or locations, where tax-free alcohol is to be used if different from the business address.

(d) Statement as to the type of business organization and of the persons interested in the business, supported by the items of information listed in § 213.52.

(e) Statement showing the specific manner in which, or purposes for which, tax-free alcohol will be used and the estimated maximum quantity, in proof gallons, which will be on hand, in transit, and unaccounted for at any one time.

(f) Listing of the size, description, and location of each storeroom or compartment where tax-free alcohol will be stored and of principal equipment for the recovery and restoration of alcohol (including the serial number, kind, capacity, name and address of owner, and intended use of distilling apparatus).

(g) Trade names (see § 213.51).

(h) List of the offices, the incumbents of which are authorized by the articles of incorporation, the bylaws, or the board of directors to act on behalf of the applicant or to sign his name.

(i) On specific request of the assistant regional commissioner, furnish a statement showing whether any of the persons whose names and addresses are required to be furnished under the provisions of §§ 213.52 (a)(2) and (c) have (1) ever been convicted of a felony or misdemeanor under Federal or State law relating to intoxicating liquors, (2) ever been arrested or charged with any violation of State or Federal law relating to intoxicating liquors, or (3) ever applied for, held, or been connected with a permit, issued under Federal law, to manufacture, distribute, sell, or use spirits or products containing spirits, whether or not for beverage use, or held any financial interest in any business covered by any such permit, and, if so, give the number and classification of such permit, the period of operation thereunder, and state in detail whether such permit was ever suspended, revoked, annulled, or otherwise terminated.

Where any of the information required by paragraphs (d) through (h) of this section is on file with the assistant regional commissioner, the applicant may, by incorporation by reference thereto, state that such information is made a part of the application for an industrial use permit. The applicant shall, when

so required by the assistant regional commissioner, furnish as a part of his application for an industrial use permit such additional information as may be necessary for the assistant regional commissioner to determine whether the applicant is entitled to the permit.

(72 Stat. 1318, 1370; 26 U.S.C. 5005, 5271)

§ 213.43 Exceptions to application requirements.

The assistant regional commissioner may, in his discretion, waive detailed application and supporting data requirements in the case of applications, Form 2600, filed by States, political subdivisions thereof, the District of Columbia, and other applicants where the amount of tax-free alcohol to be obtained does not exceed 120 proof gallons per year: *Provided,* That such waiver shall not include information required under paragraphs (a), (b), (c), (e), and (f), as it relates to recovery, of § 213.42.

(72 Stat. 1370; 26 U.S.C. 5271)

INDUSTRIAL USE PERMIT, FORM 1447

§ 213.44 Conditions of permits.

Industrial use permits shall designate the acts which are permitted, and shall include any limitations imposed on the performance of such acts. All of the provisions of this part relating to the use or recovery of tax-free alcohol shall be deemed to be included in the provisions and conditions of the permit, the same as if set out therein.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 213.45 Duration of permits.

Industrial use permits are continuing unless automatically terminated by the terms thereof, suspended or revoked as provided in § 213.49, or voluntarily surrendered. The provisions of § 213.55 shall be deemed to be a part of the terms and conditions of all industrial use permits.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 213.46 Posting of permits.

Industrial use permits shall be kept posted available for inspection on the premises covered by the permit.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 213.47 Disapproval of application.

If, on examination of an application, Form 2600, for an industrial use permit (or on basis of an inquiry or investigation with respect thereto), the assistant regional commissioner has reason to believe that:

(a) The applicant is not authorized by law and regulations issued pursuant thereto to withdraw or use alcohol free of tax; or

(b) The applicant (including, in the case of a corporation, any officer, director, or principal stockholder, and, in the case of a partnership, a partner) is, by reason of his business experience, financial standing, or trade connections, not likely to maintain operations in compliance with Chapter 51, I.R.C., or regulations issued thereunder; or

(c) The applicant has failed to disclose any material information required, or has made any false statement as to any material fact, in connection with his application; or

(d) The premises on which the applicant proposes to conduct the business are not adequate to protect the revenue;

The assistant regional commissioner may institute proceedings for the disapproval of the application in accordance with the procedures set forth in Part 200 of this chapter.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 213.48 Correction of permits.

Where an error in an industrial use permit is discovered, the permittee shall, on demand of the assistant regional commissioner, immediately return the permit for correction.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 213.49 Suspension or revocation of permits.

Whenever the assistant regional commissioner has reason to believe that any person holding an industrial use permit:

(a) Has not in good faith complied with the provisions of chapter 51, I.R.C., or regulations issued thereunder; or

(b) Has violated the conditions of such permit; or

(c) Has made any false statements as to any material fact in his application therefor; or

(d) Has failed to disclose any material information required to be furnished: or

(e) Has violated or conspired to violate any law of the United States relating to intoxicating liquor or has been convicted of an offense under Title 26, U.S.C., punishable as a felony or of any conspiracy to commit such offense; or

(f) Is, by reason of his operations, no longer warranted in procuring or using the tax-free alcohol authorized by his permit; or

(g) Has not engaged in any of the operations authorized by the permit for a period of more than 2 years;

The assistant regional commissioner may institute proceedings for the revocation or suspension of such permit in accordance with the procedures set forth in Part 200 of this chapter.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 213.50 Rules of practice in permit proceedings.

The regulations in Part 200 of this chapter are made applicable to the procedure and practice in connection with the disapproval of any application for an industrial use permit and in connection with the suspension and revocation of such permit.

§ 213.51 Trade names.

Where a trade name is to be used by an applicant or permittee, he shall list such trade name on Form 2600 and the offices where such name is registered, supported by copies of any certificate or other document filed or issued in respect of such name. Operations shall not be conducted under a trade name until the permittee is in possession of an industrial use permit, Form 1447, covering the use of such name.

§ 213.52 Organizational documents.

The supporting information required by paragraph (d) of § 213.42 includes, as applicable:

(a) *Corporate documents.* (1) Certified true copy of the certificate of incorporation, or certified true copy of certificate authorizing the corporation to operate in the State where the premises are located (if other than that in which incorporated).

(2) Certified list of names and addresses of officers and directors.

(3) Statement showing the number of shares of each class of stock or other evidence of ownership, authorized and outstanding, the par value thereof, and the voting rights of the respective owners or holders.

(b) *Articles of partnership.* True copy of the articles of partnership or association, if any, or certificate of partnership or association where required to be filed by any State, county, or municipality.

(c) *Statement of interest.* (1) Names and addresses of the 10 persons having the largest ownership or other interest in each of the classes of stock in the corporation, or legal entity, and the nature and amount of the stockholding or other interest of each, whether such interest appears in the name of the interested party or in the name of another for him. If a corporation is wholly owned or controlled by another corporation, those persons of the parent corporation who meet the above standards are considered to be the persons interested in the business of the subsidiary, and the names and addresses of such persons shall be submitted to the assistant regional commissioner on his specific request.

(2) In the case of an individual owner or partnership, name and address of every person interested in the business, whether such interest appears in the name of the interested party or in the name of another for him.

§ 213.53 Powers of attorney.

An applicant or permittee shall execute and file with the assistant regional commissioner a Form 1534, in accordance with the instructions on the form, for every person authorized to sign or to act on his behalf. (Not required for persons whose authority is furnished in accordance with § 213.42(h)).

CHANGES AFTER ORIGINAL QUALIFICATION

§ 213.54 Changes affecting applications and permits.

Where there is a change relating to any of the information contained in or considered as a part of the application on Form 2600 for an industrial use permit, the permittee shall within 10 days (except as otherwise provided in this subpart) file with the assistant regional commissioner a written notice, in duplicate, of the details of such change. In case of a change in officers or directors, the notice shall be supported by a certified list, in duplicate, of such changes. Such notice is not required where there is a change in respect of information waived by the assistant regional commissioner in the original application for

an industrial use permit in accordance with the provisions of § 213.43, unless, in the case of a permittee other than a State, political subdivision thereof, or the District of Columbia, the quantity of tax-free alcohol to be obtained will exceed 120 proof gallons per year. Where the change affects the terms of an industrial use permit, the permittee shall file an application on Form 2600 for an amended industrial use permit. Items which remain unchanged may be marked "No change since Form 2600 Serial No. _____."

(72 Stat. 1370; 26 U.S.C. 5271)

§ 213.55 Automatic termination of permits.

(a) *Permits not transferable.* Industrial use permits shall not be transferred. In the event of the lease, sale, or other transfer of such a permit, the permit shall thereupon automatically terminate.

(b) *Corporations.* In the case of a corporation holding an industrial use permit, if actual or legal control of the permittee corporation changes, directly or indirectly, whether by reason of change in stock ownership or control (in the permittee corporation or in any other corporation), by operation of law, or in any other manner, the permittee shall, within 10 days of such change, give written notice thereof, executed under the penalties of perjury, to the assistant regional commissioner; such permit may remain in effect with respect to the operation covered thereby until the expiration of 30 days after such change, whereupon such permit shall automatically terminate: *Provided,* That if within such 30-day period an application for a new permit covering such operation is made, then the outstanding permit may remain in effect with respect to the continuation of the operation covered thereby until final action is taken on such application. When such final action is taken, such outstanding permit shall thereupon automatically terminate.

§ 213.56 Adoption of documents by a fiduciary.

If the business is to be operated by a fiduciary, such fiduciary may, in lieu of qualifying as a new proprietor, file an application on Form 2600 to amend his predecessor's industrial use permit and furnish a consent of surety on Form 1533 extending the terms of the predecessor's bond, if any. The effective date of the qualifying documents filed by a fiduciary shall coincide with the effective date of the court order or the date specified therein for him to assume control. If the fiduciary was not appointed by the court, the date of his assuming control shall coincide with the effective date of the qualifying documents filed by him.

§ 213.57 Continuing partnerships.

Where, under the laws of the particular State, the partnership is not terminated on death or insolvency of a partner, but continues until the winding up of the partnership affairs is completed, and the surviving partner has the exclusive right to the control and possession of the partnership assets for the purpose of liquidation and settlement, such surviving partner may continue to withdraw and use tax-free alcohol under the prior qualification of the partnership: *Provided,* That a consent of surety, wherein the surety and the surviving partner agree to remain liable on any bond given on Form 1448, is filed. If such surviving partner acquires the business on completion of the settlement of the partnership, he shall qualify in his own name from the date of acquisition, as provided in § 213.58. The rule set forth in this section shall also apply where there is more than one surviving partner.

§ 213.58 Change in proprietorship.

An industrial use permit shall not be transferred. In the event of a change in proprietorship of the business of a permittee (as for instance, by reason of incorporation, the withdrawal or the taking in of one or more partners, or succession by any person who is not a fiduciary) the successor shall qualify in the same manner as the proprietor of a new business.

§ 213.59 Change in name of permittee.

Where there is to be a change in the individual, firm, or corporate name, the permittee shall file application on Form 2600 to amend his industrial use permit. Operations may not be conducted under the new name prior to issuance of the amended permit.

§ 213.60 Change in trade name.

Where there is to be a change in, or addition of, a trade name, the permittee shall file application on Form 2600 to amend his industrial use permit. A new bond or consent of surety will not be required. Operations may not be conducted under the trade name prior to issuance of the amended permit.

§ 213.61 Change in location.

When a permittee intends to move to a new location within the same region, he shall file application on Form 2600 for an amended industrial use permit and, if a bond on Form 1448 had been given, furnish a consent of surety, Form 1533, or a new bond to cover the new location. Tax-free alcohol may not be stored or used at the new location prior to issuance of the amended permit.

(72 Stat. 1370; 26 U.S.C. 5271)

REGISTRY OF STILLS

§ 213.62 Registry of stills.

The provisions of Part 196 of this chapter are applicable to stills located on the premises of a permittee. The listing of the stills on Form 2600 and the issuance of the industrial use permit shall constitute registration of the stills. The alternate use of a registered still or distilling apparatus for the distillation of a byproduct or chemical for which registry is not required will not require the filing of Form 26.

PERMANENT DISCONTINUANCE OF USE OF TAX-FREE ALCOHOL

§ 213.63 Notice of permanent discontinuance.

Where a permittee permanently discontinues the use of tax-free alcohol, he shall file with the assistant regional commissioner a letterhead notice, in duplicate, to cover such discontinuance. Such notice shall be accompanied by the industrial use permit, any withdrawal permits issued to the permittee, and by a report on Form 1451 covering the discontinuance and marked "Final Report." The notice shall contain (a) a request that such permits be canceled, (b) a statement of the disposition made, as provided in § 213.164, of all tax-free alcohol, including recovered alcohol, if any, and (c) the date of discontinuance. The bond of a permittee shall not be canceled until all tax-free alcohol, including recovered alcohol, has been properly disposed of in accordance with the provisions of this part.

(72 Stat. 1370; 26 U.S.C. 5271)

Subpart E—Bonds and Consents of Surety

§ 213.71 Bond, Form 1448.

Every person filing an application, Form 2600, shall, before issuance of the industrial use permit, file bond, Form 1448, with the assistant regional commissioner, except that no bond will be required where the application is filed by a State, any political subdivision thereof, or the District of Columbia, or where the quantity of tax-free alcohol covered by an industrial use permit on Form 1447 does not exceed 120 proof gallons per annum and the quantity which may be on hand, in transit, or unaccounted for at any one time will not exceed 10 proof gallons. The penal sum of the bond on Form 1448 shall be computed on each proof gallon of tax-free alcohol, including recovered and restored tax-free alcohol, authorized to be on hand, in transit to the permittee, and unaccounted for at any one time, at the rate prescribed by law as the internal revenue tax on distilled spirits: *Provided,* That the penal sum of any bond (or the total of the penal sums where original and strengthening bonds are filed) shall not exceed $100,000 nor be less than $500.

(72 Stat. 1314, 1372; 26 U.S.C. 5001, 5272)

§ 213.72 Corporate surety.

Surety bonds required by this part may be given only with corporate sureties holding certificates of authority from, and subject to the limitations prescribed by, the Secretary as set forth in the current revision of Treasury Department Circular 570. Powers of attorney and other evidence of appointment of agents and officers to execute bonds or to consent to changes in the terms of bonds on behalf of corporate sureties are required to be filed with, and passed on by, the Commissioner of Accounts, Surety Bonds Branch, Treasury Department.

(61 Stat. 648; 6 U.S.C. 6, 7)

§ 213.73 Deposit of securities in lieu of corporate surety.

In lieu of corporate surety, the principal may pledge and deposit, as surety for his bond, securities which are transferable and are guaranteed as to both interest and principal by the United States,

in accordance with the provisions of 31 CFR Part 225.

(61 Stat. 650; 6 U.S.C. 15)

§ 213.74 Consents of surety.

Consents of surety to changes in the terms of bonds shall be executed on Form 1533 by the principal and by the surety with the same formality and proof of authority as is required for the execution of bonds.

§ 213.75 Strengthening bonds.

In all cases where the penal sum of any bond becomes insufficient, the principal shall either give a strengthening bond with the same surety to attain a sufficient penal sum or give a new bond covering the entire liability. Strengthening bonds shall not be approved where any notation is made thereon which is intended or which may be construed to be a release of any former bond or as limiting the amount of any bond to less than its full penal sum. Strengthening bonds shall show the date of execution and the effective date, and be marked "Strengthening Bond".

(72 Stat. 1372; 26 U.S.C. 5272)

§ 213.76 Superseding bonds.

New bonds shall be required in case of insolvency or removal of any surety, and may, at the discretion of the assistant regional commissioner, be required in any other contingency affecting the validity or impairing the efficiency of the bond. Where, under the provisions of § 213.77, the surety on any bond given under this subpart has filed an application to be relieved of liability under said bond and the principal desires or intends to continue the operations to which such bond relates, he shall file a valid superseding bond to be effective on or before the date specified in the surety's notice. Superseding bonds must show the date of execution and the effective date, and be marked "Superseding Bond." If the principal does not file a new bond when required, he shall not conduct any operation under his permit.

(72 Stat. 1372; 26 U.S.C. 5272)

§ 213.77 Notice by surety of termination of bond.

A surety on any bond required by this part may at any time serve notice in writing on the principal and the assistant regional commissioner in whose office the bond is on file, that he desires, after a date named, to be relieved of liability under said bond. Such date shall be not less than 90 days after the date the notice is received by the assistant regional commissioner. This notice may not be given by an agent of the surety unless it is accompanied by a power of attorney, duly executed by the surety, authorizing him to give such notice, or by a statement, executed under the penalties of perjury, that such power of attorney is on file with the Commissioner of Accounts, Surety Bonds Branch, Treasury Department. The surety shall also file with the assistant regional commissioner an acknowledgment or other proof of service of such notice on the principal.

(72 Stat. 1372; 26 U.S.C. 5272)

§ 213.78 Termination of rights and liability under a bond.

If the notice of termination given by the surety is not thereafter in writing withdrawn, the rights of the principal as supported by the subject bond shall be terminated on the date named in the notice. The surety shall be relieved from his liability under a bond as to any operations which are wholly subsequent to: (a) The date named in a notice of termination (§ 213.77); (b) the effective date of a superseding bond (§ 211.76); or (c) the date of approval of the discontinuance of operations by the principal. If the principal fails to file a valid superseding bond prior to the date on which the surety desires to be relieved from liability under the bond, the surety, notwithstanding his release from liability as specified in paragraph (a) of this section, shall continue to remain liable under the bond for all tax-free alcohol on hand or in transit to the principal on said date until the same has been lawfully disposed of or a new bond has been filed by the principal covering the same.

(72 Stat. 1372; 26 U.S.C. 5272)

§ 213.79 Release of pledged securities.

Securities of the United States, pledged and deposited as provided in § 213.73, shall be released only in accordance with the provisions of 31 CFR Part 225. When the assistant regional commissioner is satisfied that they may be released, he shall fix the date or dates on which a part or all of such securities may be released. At any time prior to the release of such securities the assistant regional commissioner may extend the date of release for such additional length of time as he deems necessary.

(61 Stat. 650; 6 U.S.C. 15)

Subpart F—Premises and Equipment

§ 213.91 Premises.

A tax-free alcohol user qualified under this part shall have premises suitable for the business being conducted and adequate for the protection of the revenue. Storage facilities shall be provided on the premises for tax-free alcohol received or recovered thereon. These storage facilities shall consist of a storeroom or compartment, or stationary storage tanks, or a combination thereof.

§ 213.92 Storerooms.

Storerooms or compartments shall be so constructed and secured as to prevent unauthorized access to the tax-free alcohol. Such storage facilities shall be of sufficient capacity to hold the maximum quantity of tax-free alcohol which will be on hand at any one time and shall be equipped for locking.

§ 213.93 Storage tanks.

Each stationary tank used for the storage of tax-free alcohol shall be equipped for locking in such manner as to control access to the spirits. Means shall be provided whereby the contents can be accurately measured.

§ 213.94 Equipment for recovery of tax-free alcohol.

If tax-free alcohol is to be recovered for reuse, all equipment to be used shall be located on the permit premises. Distilling apparatus or other equipment, including pipelines, for such recovery shall be constructed and secured in such a manner as to prevent unauthorized access to the tax-free alcohol and so arranged as to be readily inspected.

§ 213.95 Storage tanks for recovered and restored alcohol.

If tax-free alcohol is to be recovered, suitable storage tanks shall be provided. Each such tank shall be durably marked to indicate its use and capacity, shall be equipped with a measuring device whereby the actual contents will be indicated, and shall be equipped for locking to prevent access to the contents.

Subpart G—Withdrawal and Use of Tax-Free Alcohol

§ 213.101 Authorized uses.

Tax-free alcohol may, except as provided in subpart I, be used only by a person holding an industrial use permit, Form 1447. Such permits to use tax-free alcohol may be obtained, and the tax-free alcohol used, as follows:

(a) By and for the use of any State, any political subdivision thereof, or the District of Columbia, for nonbeverage purposes;

(b) For nonbeverage purposes and not for resale or use in the manufacture of any product for sale:

(1) For the use of any educational organization described in section 503(b)(2), I.R.C., which is exempt from income tax under section 501(a), I.R.C., or for the use of any scientific university or college of learning;

(2) For any laboratory for use exclusively in scientific research;

(3) For use at any hospital, blood bank, or sanitarium (including use in making any analysis or test at such hospital, blood bank, or sanitarium), or at any pathological laboratory exclusively engaged in making analyses, or tests, for hospitals or sanitariums; or

(4) For the use of any clinic operated for charity and not for profit (including use in the compounding of bona fide medicines for treatment outside of such clinics of patients thereof).

(72 Stat. 1362; 26 U.S.C. 5214)

§ 213.102 States and the District of Columbia.

Except as otherwise provided in this section, tax-free alcohol withdrawn by a State, a political subdivision thereof, or the District of Columbia shall be used solely for mechanical and scientific purposes, and except on approval of the Director, such use or the use of any resulting product shall be confined to the premises under the control of the State, political subdivision thereof, or the District of Columbia. Tax-free alcohol so withdrawn for use at hospitals, clinics, and other establishments specified in §§ 213.103 to 213.107, operated by a State, political subdivision, or the District of Columbia, shall be used in the manner prescribed in the applicable section for such establishments.

(72 Stat. 1362; 26 U.S.C. 5214)

§ 213.103 Educational organizations, scientific universities, and colleges of learning.

Educational organizations authorized to withdraw tax-free alcohol under § 213.101 are those organizations which normally maintain a regular faculty and curriculum and which normally have a regularly enrolled body of students in attendance at the place where their educational activities are regularly carried on and which are exempt from Federal income tax under section 501(a), I.R.C. Colleges of learning for the purposes of this subpart are such as have a recognized curriculum and confer degrees after specified periods of attendance at classes or research work. Scientific university shall include any university incorporated or organized under any Federal or State law which provides training in the sciences. Tax-free alcohol withdrawn by such educational organizations, scientific universities, and colleges of learning shall be used only for scientific, medicinal, and mechanical purposes. Use of the tax-free alcohol and resulting products shall be limited as provided in § 213.108.

(72 Stat. 1362; 26 U.S.C. 5214)

§ 213.104 Hospitals, blood banks, and sanitariums.

Tax-free alcohol withdrawn by hospitals, blood banks, and sanitariums shall be used only for medicinal, mechanical, and scientific purposes and in the treatment of patients. Such use includes making any analysis or test at such hospital, blood bank, or sanitarium. Medicines made with tax-free alcohol may not be sold, but a separate charge may be made for such medicines compounded on the hospital or sanitarium premises for use of patients on the premises. Where a hospital holding permit to use tax-free alcohol operates a clinic on the hospital premises, tax-free alcohol withdrawn under the permit of the hospital may be used in the clinic to the same extent as it may be used in the hospital: *Provided,* That in the case of a clinic operated for charity and not for profit, medicines compounded with tax-free alcohol may be furnished to patients for use off the premises if such medicine is not sold and no fee or other charge is exacted by reason of the furnishing of the medicine to the patient. Similarly, tax-free alcohol withdrawn by a hospital or sanitarium may be used in a pathological or other laboratory operated in connection with such hospital or sanitarium, on the hospital or sanitarium premises, to the same extent as it may otherwise be used by the hospital or sanitarium. The use of tax-free alcohol and of products resulting from such use shall be confined strictly to the permit premises except as provided herein and in § 213.108.

(72 Stat. 1362; 26 U.S.C. 5214)

§ 213.105 Clinics.

Tax-free alcohol withdrawn by clinics operated for charity and not for profit shall be used only for medicinal, scientific, and mechanical purposes and in the treatment of patients. Medicine compounded with such tax-free alcohol may be furnished to patients for use off the premises if such medicine is not sold and no fee or other charge is exacted by reason of the furnishing of the medicine to the patient. A separate charge may be made for medicine compounded on the clinic premises with tax-free alcohol for use of patients on the premises. Except as provided herein and in § 213.108, the use of tax-free alcohol and of products resulting from such use shall be confined strictly to the premises of the clinic.

(72 Stat. 1362; 26 U.S.C. 5214)

§ 213.106 Pathological laboratories.

Pathalogical laboratories, other than such laboratories which are a part of a hospital or sanitarium, may withdraw tax-free alcohol under this part only if engaged exclusively in making analyses or tests for hospitals or sanitariums. Such independent pathological laboratories may not obtain tax-free alcohol if tests or analyses are made for doctors, dentists, or for any other purpose than as provided in this section. Except as provided in § 213.108, the use of tax-free alcohol and of products resulting from such use shall be confined strictly to the premises of the pathological laboratory.

(72 Stat. 1362; 26 U.S.C. 5214)

§ 213.107 Other laboratories.

Except in the case of a pathological laboratory, specified in § 213.106, any laboratory withdrawing alcohol free of tax shall use such alcohol exclusively in scientific research. The use of the alcohol and of any product resulting from such use shall be limited to the permit premises except as provided in § 213.108.

(72 Stat. 1362; 26 U.S.C. 5214)

§ 213.108 Prohibited usage of tax-free alcohol.

Under no circumstances may tax-free alcohol withdrawn under this part be used for beverage purposes, or in any food product, or in any preparation used in preparing beverage or food products. Universities, colleges, educational organizations, laboratories, hospitals, clinics, blood banks, and sanitariums are prohibited from (a) selling tax-free alcohol, (b) using tax-free alcohol in the manufacture of any product for sale, or (c) selling any product resulting from the use of tax-free alcohol: *Provided,* That a charge may be made by a hospital, sanitarium, or clinic for medicines dispensed to patients for use on the premises to the extent authorized in §§ 213.104 and 213.105. Persons holding permit on Form 1447 may not remove tax-free alcohol or products resulting from the use of such alcohol from premises under their control unless such removals are specifically authorized by the terms of their permit, or permission is obtained from the assistant regional commissioner: *Provided,* That (1) products made thru the use of such alcohol which contain no alcohol may be removed to other premises for the sole purpose of further research, and (2) bona fide medicines compounded by a clinic operated for charity and not for profit may be used outside of such clinic for treatment of its patients if the medicine is distributed without charge to the extent authorized in §§ 213.104 and 213.105. Hospitals may not furnish tax-free alcohol for use of physicians in their private practice. Tax-free permittees who use tax-free alcohol in any manner prohibited by this section become liable for the tax on such alcohol. A tax-free permittee who sells alcohol also becomes liable for special tax as a liquor dealer.

(72 Stat. 1314, 1343; 26 U.S.C. 5001, 5121)

§ 213.109 Application for withdrawal permit.

Every person, other than as provided for in Subpart I of this part, desiring to procure tax-free alcohol shall file an application on Form 1450 with the assistant regional commissioner for a withdrawal permit. The application shall show the total quantity, in proof gallons, of tax-free alcohol to be withdrawn during a period of one year, and the total quantity, in proof gallons, to be withdrawn during any one calendar month. The total quantity to be withdrawn during a year shall not be more than is sufficient to meet the bona fide needs of the applicant. Where the applicant desires to withdraw more than one-sixth of his annual requirements during any month, he should state his needs and furnish sufficient information for the assistant regional commissioner to determine whether such withdrawals should be authorized. A permittee may, if he so desires, file applications for more than one withdrawal permit and have his total annual withdrawals divided among such permits.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 213.110 Issuance and duration of withdrawal permit.

If the application submitted in accordance with § 213.109 is approved, the assistant regional commissioner shall issue withdrawal permit on Form 1450 and shall forward the original to the permittee. Withdrawal permits on Form 1450 shall terminate on April 30 of each year: *Provided,* That a permit issued less than six months before April 30 of any year shall remain in effect through April 30 of the following year. Withdrawal permits shall be returned to the assistant regional commissioner within 30 days after expiration.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 213.111 Application for renewal of withdrawal permit.

Application on Form 1450 for renewal of a withdrawal permit expiring April 30 of a year shall be submitted by the permittee to the assistant regional commissioner on or before January 10 of such year in order that the renewal permit may be issued and become available for withdrawals by May 1. The user's report on Form 1451 which is required to be submitted on or before January 10 shall be submitted with the renewal application. The provisions of §§ 213.109 and 213.110 with respect to application for, and issuance of, withdrawal permits, respectively, are applicable to the renewal of such permits.

§ 213.112 Denial, correction, and suspension or revocation; changes after original qualification; and automatic termination of withdrawal permits.

All of the provisions of Subpart D of this part with respect to the denial, correction, suspension or revocation, automatic termination, changes after original qualification, and rules of practice in permit proceedings are applicable to withdrawal permits.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 213.113 Cancellation of withdrawal permit.

Should an industrial use permit on Form 1447 be terminated or surrendered, or should the withdrawal permit on Form 1450 issued to the permittee be revoked, the withdrawal permit shall be returned immediately to the assistant regional commissioner for cancellation.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 213.114 Withdrawals under permit.

When the permittee desires to procure tax-free alcohol, he shall forward the original of the withdrawal permit to the proprietor of the distilled spirits plant from whom he will procure such alcohol. Shipments shall not be made by the proprietor of a distilled spirits plant until he is in possession of a valid withdrawal permit, nor shall shipments exceed the quantity authorized by such permit. On shipment, the consignor shall enter the transaction on the withdrawal permit and return it to the permittee, unless he has been authorized to retain it for the purpose of making future shipments.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 213.115 Regulation of withdrawals.

Withdrawals by a permittee shall not exceed the quantity authorized by his permit on Form 1450 and shall be so regulated by him that he will not have on hand, in transit, and unaccounted for at any one time more than the quantity of tax-free alcohol shown in his application on Form 2600 for an industrial use permit. Recovered alcohol and alcohol received under § 213.117 shall be taken into account in determining the quantity of alcohol on hand. For this purpose, tax-free alcohol and recovered alcohol shall be deemed to be unaccounted for if lost under circumstances where a claim for allowance is required by this part and has not been allowed or if used or disposed of otherwise than as provided in this part.

§ 213.116 Receipt of tax-free alcohol.

As soon as received, tax-free alcohol shall be placed in the storage facilities prescribed by § 213.91 and kept there under lock until withdrawn for use. Unless required by city or State fire code regulations or authorized by the assistant regional commissioner or the terms of the permit, the permittee may not remove tax-free alcohol from the original packages or containers in which received until such alcohol is withdrawn for use. If the tax-free alcohol is transferred to "safety" containers in accordance with such fire code regulations, the container to which they are transferred shall be appropriately marked to show the serial number of the package from which transferred, the quantity transferred, the date of transfer, and the name and address of the vendor. On receipt of tax-free alcohol by the permittee, he shall ascertain and account for any losses in transit in accordance with Subpart J of this part, receipt for the shipment on both copies of Form 1473 received from the consignor, noting thereon any loss or deficiency in the shipment, forward one copy to the assistant regional commissioner of his region, and file the other copy in chronological order by months.

§ 213.117 Alcohol received from General Services Administration.

Any eleemosynary institution holding an industrial use permit, Form 1447, and receiving alcohol from General Services Administration under the provisions of section 5688(a)(2)(B) of the Internal Revenue Code shall include any quantity of alcohol so received in computing the quantity of tax-free alcohol that may be procured under its withdrawal permit, Form 1450, during the calendar month. Such alcohol shall, on receipt, be placed in the storage facilities prescribed in § 213.91 and kept there under lock until withdrawn for use.

§ 213.118 Records and reports.

Tax-free alcohol users shall keep records and render reports as required under Subpart L of this part.

Subpart H—Recovery of Tax-Free Alcohol

§ 213.131 General.

Persons desiring to recover tax-free alcohol for reuse shall first receive approval therefor pursuant to the filing of appropriate qualifying documents, in accordance with the applicable provisions of Subparts D and E of this part. Restoration may be accomplished by the permittee or by the proprietor of a distilled spirits plant.

§ 213.132 Deposit in tanks.

All recovered tax-free alcohol shall be accumulated in tanks equipped for locking and properly marked for identification. Where the recovered alcohol is to be shipped to a distilled spirits plant for redistillation, it may be transferred to appropriately marked packages. All tax-free alcohol recovered shall be measured before being redistilled or reused and shall be kept separate from new tax-free alcohol.

§ 213.133 Shipment for redistillation.

Recovered alcohol requiring redistillation, unless the same is to be done on the permittee's premises, shall be shipped to a distilled spirits plant for restoration. Packages shall be numbered in serial order, beginning with "1" and continuing in regular sequence, and have marked or stenciled thereon the name, address, and permit number of the permittee, the quantity, in gallons, of alcohol contained therein, and the words "Recovered tax-free alcohol."

§ 213.134 Notice of shipment.

When recovered tax-free alcohol is shipped as provided for in § 213.133, the consignor shall prepare Form 1473, in quadruplicate (quintuplicate if consignee is located in another region) and, on the day of shipment, forward two copies to the proprietor of the distilled spirits plant to which shipment is made, one copy (two copies if shipment is made to a consignee in another region) to the assistant regional commissioner of his region, and retain the remaining copy for his files.

Subpart I—Use of Tax-Free Spirits by the United States or Governmental Agency

§ 213.141 General.

Tax-free spirits may be withdrawn under this part from a distilled spirits plant for use of the United States or any Governmental agency thereof for nonbeverage purposes, as authorized by section 5214(a)(2), I.R.C. No industrial use permit or bond is required. However, a permit to procure spirits, free of tax, for nonbeverage purposes must be obtained in accordance with this subpart before tax-free spirits may be withdrawn for such use. The withdrawal, free of tax, of imported spirits from customs custody for the use of the United States shall be in accordance with the applicable provisions of Part 251 of this chapter.

(72 Stat. 1362; 26 U.S.C. 5214)

§ 213.142 Application and permit, Form 1444.

Application, Form 1444, by the United States or a Governmental agency thereof for a permit to procure tax-free spirits from a distilled spirits plant for nonbeverage purposes shall be executed in duplicate and shall be signed by the head of the department or independent bureau or agency to which such tax-free spirits are to be shipped, or by some person duly authorized by such head of a department or independent bureau or agency. Evidence of authority to sign for the head of a department or independent bureau or agency shall be furnished the Director. The permit may be left with the supplier during the term of its use or retained by the agency and furnished to the supplier with each order for spirits. Every appropriate precaution shall be taken by the agency to insure that the tax-free spirits so procured will be used only for Governmental purposes.

(72 Stat. 1370; 26 U.S.C. 5271)

§ 213.143 Procurement of tax-free spirits.

When tax-free spirits are to be procured by the United States or a Governmental agency thereof, the permit, Form 1444, shall be forwarded to the vendor. A purchase order shall be submitted by the Governmental agency for any tax-free spirits shipped under the permit. At the time of shipment, the vendor shall record the shipment on the permit and return it to the Governmental agency unless he has been authorized by such

agency to retain the permit for the purpose of making future shipments.

§ 213.144 Receipt of shipment.

On receipt of a shipment of tax-free spirits, the representative of the Governmental agency receiving the same shall execute the certificate of receipt on both copies of Form 1473 received from the proprietor of the distilled spirits plant, after noting thereon any loss or deficiency in the shipment, and shall forward one copy to the assistant regional commissioner of the region in which the consignor is located and retain the other copy for his files.

§ 213.145 Discontinuance of use.

When no more tax-free spirits will be procured under a permit the Governmental agency shall return the permit to the Director for cancellation.

§ 213.146 Disposition of excess spirits.

Any excess spirits in the possession of a Governmental agency shall be disposed of to another agency of the United States holding a permit, returned to a distilled spirits plant on approval of the assistant regional commissioner of the region in which the plant is located, or disposed of otherwise as may be authorized by the Director. In no case may such spirits be disposed of to the general public.

Subpart J—Losses

§ 213.151 Losses by theft.

The quantity of tax-free alcohol lost by theft shall be determined at the time the loss is discovered. Such losses on the premises of users shall be recorded in the records required by § 213.171 and reported on Form 1451. Those occurring in transit shall be reported on the Form 1473. The permittee shall immediately report such loss to the assistant regional commissioner, explaining the circumstances under which the loss occurred. Claim for allowance for all such losses, regardless of the percentage of loss, shall be made by the permittee.

§ 213.152 Losses in transit.

The quantity of tax-free alcohol lost while in transit to the premises of a permittee shall be determined at the time shipment or report of loss is received and shall be reported on Form 1473. Except as provided in § 213.151, where the quantity lost from wooden packages contained in a shipment exceeds 3 percent of their original aggregate contents or the loss from any other containers in a shipment exceeds 1 percent of their original aggregate contents, and the quantity lost is 5 proof gallons or more, claim for allowance of the entire quantity lost shall be filed by the permittee. Where losses in transit do not exceed the quantities specified in this section and there are no circumstances indicating that any part of the quantity lost was unlawfully used or removed, no claim for allowance will be required.

§ 213.153 Losses at user's premises.

The quantity of tax-free alcohol lost on the premises of a permittee shall, except as provided in § 213.151 and in the case of casualty and unusual losses, be determined and recorded at the end of each month when the inventory of tax-free alcohol required under § 213.172 is taken. Casualty or other unusual losses shall be determined and recorded in the records required by § 213.171 at the time of discovery. All losses on the premises of the permittee shall be reported on Form 1451. If the quantity lost during any one month exceeds 1 percent of the quantity of tax-free alcohol to be accounted for during the month, and is more than 5 proof gallons, claim for allowance of the entire quantity lost shall be made by the permittee. Where losses on the premises do not exceed the quantities specified in this section and there are no circumstances indicating that any part of the loss was unlawfully used or removed, claim for loss will not be required, except in the case of losses under § 213.151.

§ 213.154 Claims.

Claims for allowance of losses of tax-free alcohol shall be filed on letter size paper with the assistant regional commissioner within 30 days from the date the loss is ascertained, and shall set forth the following:

(a) Name, address, and permit number of the claimant;

(b) Identification and location of the container or containers from which the tax-free alcohol was lost;

(c) Quantity of tax-free alcohol lost from each container, the total quantity of such alcohol covered by the claim, and the aggregate quantity involved;

(d) Date of the loss (or, if not known, date of discovery), the cause or nature thereof, and all the facts relative thereto;

(e) Name of carrier where a loss in transit is involved; and

(f) If lost by theft, facts establishing whether the loss occurred as a result of any negligence, connivance, collusion, or fraud on the part of the user, bailee, or carrier, or the employees or agents of any of them.

The claim shall be submitted in original only and shall contain a statement that it is executed under the penalties of perjury. The assistant regional commissioner may require the submission of additional evidence.

Subpart K—Destruction, Return, or Reconsignment of Tax-Free Alcohol and Disposition of Recovered Alcohol

§ 213.161 Destruction.

Tax-free alcohol in the possession of a permittee may be destroyed by him on approval of the assistant regional commissioner. The permittee shall file application to do so with the assistant regional commissioner, in duplicate, stating fully the reasons therefor. On approval of the application, the assistant regional commissioner shall instruct the permittee whether or not the destruction shall be witnessed by an internal revenue officer. If an internal revenue officer is assigned, he shall certify to the destruction on the original and copy of the approved application, specifying the date and manner of destruction. If no internal revenue officer is assigned, such certification shall be made by the permittee. The copy of the approved application shall be filed by the permittee and the original returned to the assistant regional commissioner.

§ 213.162 Return.

For any legitimate reason, a permittee may return tax-free alcohol to a distilled spirits plant (whether or not such plant was the original shipper), if the distilled spirits plant proprietor consents to the return and permission for the transfer is in each instance first obtained from the assistant regional commissioner. Application for such permission shall be filed in triplicate (quadruplicate if the distilled spirits plant is in another region). If the application is approved the assistant regional commissioner shall forward a copy to the permittee, a copy to the proprietor of the distilled spirits plant and the additional copy, if any, to the consignee's assistant regional commissioner.

§ 213.163 Reconsignment in transit.

Where, prior to or on arrival at the premises of a consignee, tax-free alcohol is found to be unsuitable for the purpose for which intended, was shipped in error, or, for any other bona fide reason, is not accepted by such consignee, or is not accepted by a carrier, it may be reconsigned to another permittee by the proprietor of the distilled spirits plant making shipment, or returned to the shipping plant, on notification by the consignor to the assistant regional commissioner of the consignor's region of such action. In such case, the bond of the permittee to whom the tax-free alcohol was reconsigned or the bond of the proprietor to whom the alcohol was returned shall cover such spirits while in transit after reconsignment. Notice of cancellation of the Form 1473 covering the shipment to the original consignee shall be made by the consignor to each person receiving a copy of Form 1473. Where reconsignment is to another permittee the consignor shall also prepare a new Form 1473 and place thereon the word "Reconsignment." The entry on the withdrawal permit covering the original shipment shall be voided, and appropriate entries shall be made by the consignor on the withdrawal permit of the permittee to whom the tax-free alcohol was reconsigned.

§ 213.164 Disposition on permanent discontinuance of use.

When a permittee permanently discontinues the use of tax-free alcohol, any tax-free alcohol remaining on hand at the time of such discontinuance may be returned to a distilled spirits plant in accordance with the procedure prescribed in § 213.162, destroyed in accordance with the procedure prescribed in § 213.161, or, on approval of an application therefor by the assistant regional commissioner, disposed of to another permittee, if consent of surety is filed on the consignee's bond extending the terms thereof to cover the transportation of the alcohol to his premises. The application for disposition to an-

other permittee shall be prepared and disposed of in the manner prescribed in § 213.162.

§ 213.165 Notice of shipment.

When tax-free alcohol is shipped in accordance with § 213.162 or § 213.164, the consignor shall prepare Form 1473, in quadruplicate (quintuplicate if the consignee is located in another region) and, on the day of shipment, forward two copies to the consignee, one copy (two if the consignee is located in another region) to the assistant regional commissioner of his region, and retain the remaining copy for his files.

§ 213.166 Disposition after revocation of permit.

When any industrial use permit, Form 1447, is revoked, all tax-free alcohol in transit to and in the possession of the former permittee, and all recovered alcohol, may continue to be lawfully possessed by him for a period of 60 days after such revocation, but only for the purpose of making lawful disposition thereof, pursuant to proper permit therefor, which the permittee shall do within said period. Unless such stocks are disposed of within the period of 60 days they are subject to seizure and forfeiture.

(68A Stat. 867, 72 Stat. 1370; 26 U.S.C. 7302, 5271)

§ 213.167 Disposition of recovered tax-free alcohol on permanent discontinuance of use.

Recovered tax-free alcohol in possession of a permittee at the time of permanent discontinuance of the use of tax-free alcohol shall be disposed of only as authorized by the assistant regional commissioner after full advice respecting its condition and the disposition it is desired to make of such recovered alcohol has been submitted to him.

Subpart L—Records and Reports

§ 213.171 Records.

Persons holding permit on Form 1447 to use tax-free alcohol, shall keep records in sufficient detail (a) to enable any internal revenue officer to verify all transactions in tax-free alcohol and to ascertain whether there has been compliance with law and regulations, and (b) to enable the permittee to prepare Form 1451. Such records shall identify the tax-free alcohol by proof, shall show the date of each transaction and the actual quantities of alcohol involved, and shall include tax-free alcohol received from General Services Administration and the recovery of alcohol and disposition thereof. Records of receipt and authorized removals of tax-free alcohol shall show the name, address, and registry or permit number (if any) of each consignee or consignor, and the type, number, and serial numbers of containers involved. Records must be kept current at all times.

(72 Stat. 1373; 26 U.S.C. 5275)

§ 213.172 Monthly inventories.

At the end of every calendar month, each permittee shall take and record an actual inventory of all tax-free alcohol in his possession. Recovered tax-free alcohol and alcohol received from General Services Administration, if any, shall be listed separately.

§ 213.173 Reports.

Every person holding industrial use permit, Form 1447, shall prepare an annual report on Form 1451. Spirits received from General Services Administration under § 213.117, if any, and spirits recovered pursuant to subpart H, if any, shall be reported separately. In the case of a State, municipal subdivision thereof, or the District of Columbia holding a permit covering the use of tax-free alcohol in a number of institutions under its control, Form 1451, submitted by such permittee shall include alcohol used by its dependent agencies, institutions, or departments. The permittee shall submit the original to the assistant regional commissioner not later than the 10th day of January of each year, together with his renewal application, Form 1450, if any, and retain the duplicate copy for his files.

(72 Stat. 1373; 26 U.S.C. 5275)

§ 213.174 Time for making of entries.

Each transaction required by this subpart to be shown in the records shall be entered therein on the day on which the operations occur, except where supplemental or auxiliary records are prepared of, and concurrent with, the individual transaction or operation from which the records can be posted, the making of entries on the records may be deferred to not later than the close of the business day next succeeding the day on which the operation or transaction occurred.

(72 Stat. 1373; 26 U.S.C. 5275)

§ 213.175 Filing and retention of records and copies of reports.

All records required by this part and copies of all reports submitted to the assistant regional commissioner shall be filed and maintained for a period of not less than three years after the date of the report covering the transaction, in such manner as to facilitate inspection by internal revenue officers: *Provided*, That the assistant regional commissioner may require such records to be kept for an additional period of not exceeding three years in any case where he deems such retention necessary or advisable. Records and reports shall be filed at the premises where such operations are conducted, except that such records may be kept by a State, municipal subdivision thereof, or the District of Columbia qualified to procure tax-free alcohol for the use of dependent agencies, institutions, or departments. The files of records and reports shall be available during regular business hours for examination and taking of abstracts therefrom by internal revenue officers.

§ 213.176 Photographic copies of records.

Persons who desire to record or reproduce records required to be preserved under § 213.175 by any photographic, photostatic, microfilm, microcard, miniature photographic, or other process which accurately reproduces or forms a durable medium for so reproducing records, shall make application, in triplicate, to do so, describing:

(a) The records to be reproduced.

(b) The reproduction process to be employed.

(c) The manner in which the reproductions are to be preserved.

(d) The provisions to be made for examining, viewing, and using such reproductions.

The assistant regional commissioner shall not approve any application unless (1) the Director has approved that type of records for reproduction and the reproduction process to be employed, and (2) the manner of preservation of the reproductions and the provisions for examining, viewing, and using such reproductions are satisfactory to the assistant regional commissioner. Whenever the reproduction of records is authorized under this section, such reproductions shall be retained in lieu of the original records and shall be preserved in conveniently accessible files. Provisions shall be made for examining, viewing, and using such reproductions the same as if they were original records.

(72 Stat. 1395; 26 U.S.C. 5555)

[F.R. Doc. 60-1122; Filed, Feb. 4, 1960; 8:45 a.m.]

DEPARTMENT OF COMMERCE

Federal Maritime Board

[46 CFR Ch. II]

[Docket No. 856]

CONSULAR FEE DISCRIMINATION BY REPUBLIC OF ECUADOR; EQUALIZATION FEE

Discontinuance of Proceeding

Whereas in compliance with section 4 of the Administrative Procedure Act, notice of proposed rule making to counteract an Ecuadoran discrimination in the matter of consular invoice fees was published in the FEDERAL REGISTER July 3, 1959 (24 F.R. 5422).

Whereas comments on the proposed regulations were invited, received, and considered by the Federal Maritime Board; and

Whereas pursuant to petition duly received, the Federal Maritime Board held oral argument on November 2, 1959, with respect to its statutory authority to issue such proposed regulations, and is of the opinion that it has statutory authority to adopt such proposed regulations; and

Whereas the Republic of Ecuador has voluntarily removed the discriminatory practices in the matter of consular invoice fees, thereby removing the need for the issuance of the proposed regulations.

It is ordered, That the proceeding be, and it is hereby, discontinued.

Dated: February 1, 1960.

By order of the Federal Maritime Board.

JAMES L. PIMPER,
Secretary.

[F.R. Doc. 60-1159; Filed, Feb. 4, 1960; 8:45 a.m.]

DEPARTMENT OF LABOR

Bureau of Labor-Management Reports

[29 CFR Part 405]

EMPLOYER REPORTS

Notice of Proposed Rule Making

Section 203(a) of the Labor-Management Reporting and Disclosure Act of 1959 (Public Law 86–257; 73 Stat. 519), requires every employer subject to its provisions to file annually with the Secretary of Labor a report, in a form prescribed by him, signed by its president and treasurer or corresponding principal officers, showing in detail the date and amount of each of certain specified payments, loans, promises, agreements, or arrangements, including the identity, address and position, if any, in any firm or labor organization of the person to whom it was made and a full explanation of the circumstances of all such payments, including the terms of any agreement or understanding pursuant to which they were made. Section 208 of the Act authorizes the Secretary to issue rules and regulations prescribing the form and publication of such report.

Therefore, pursuant to section 4 of the Administrative Procedure Act (60 Stat. 238; 5 U.S.C. 1003), and under authority of sections 203(a) and 208 of the Labor-Management Reporting and Disclosure Act of 1959 (Public Law 86–257; 73 Stat. 519), and R.S. 161 (5 U.S.C. 22) I propose to amend Subchapter A, Chapter IV, Title 29 Code of Federal Regulations by adding thereto a new Part 405 to read as follows:

Sec.

AUTHORITY: §§ 405.1 to 405.9 issued under secs. 203(a) and 208, 73 Stat. 519, and R.S. 161, 5 U.S.C. 22.

§ 405.1 Definitions.

As used in this part the term:

(a) (1) "Fiscal year" means the calendar year or other period of 12 consecutive calendar months, on the basis of which financial accounts are kept by an employer. Where an employer designates a new fiscal year period prior to the expiration of a previously established fiscal year period, the resultant period of less than 12 consecutive calendar months, and thereafter the newly established fiscal year, shall in that order constitute the fiscal year for purposes of the reports required to be filed by section 203(a) of the Act and of the regulations in this part.

(2) An employer who is subject to section 203(a) of the Act for only a portion of his fiscal year because the date of enactment of the Act (September 14, 1959) occurred during such fiscal year or because the employer otherwise first becomes subject to the Act during such fiscal year, may consider such portion as the entire fiscal year in making his report under this part.

(b) "Corresponding principal officers" shall include any person or persons performing or authorized to perform principal executive functions corresponding to those of president and treasurer, of any employer engaged in whole or in part in the performance of the activities described in section 203(a) of the Act.

§ 405.2 Annual report.

Every employer who in any fiscal year has made any payment, loan, promise, agreement, arrangement or expenditure of the kind described and required by section 203(a) of the Act to be reported to the Secretary, shall, as prescribed by the regulations in this part, file with the Commissioner, Bureau of Labor-Management Reports, United States Department of Labor, Washington 25, D.C., within 90 days after the end of each of its fiscal years, a report signed by its president and treasurer, or corresponding principal officers, together with a true copy thereof, containing the detailed information required thereon by section 203(a) of the Act and found by the Secretary under section 208 thereof to be necessary in such report.

§ 405.3 Form of annual report.

On and after the effective date of this section, every employer required to file an annual report by section 203(a) of the Act and § 405.2, shall file such report on the following United States Department of Labor Form LM–10 entitled, "Employer Report",[1] in the detail required by the following instructions[1] accompanying such form and constituting a part thereof.

§ 405.4 Terminal report.

(a) Every employer required to file a report under the provisions of this part, who during his fiscal year loses his identity as a reporting employer through merger, consolidation, dissolution, or otherwise, shall, within 30 days of the effective date thereof, or of the effective date of this section, whichever is later, file a terminal employer report, and one copy, with the Commissioner of the Bureau, at the place aforesaid on Form LM–10 signed by the President and Treasurer or corresponding principal officers of such employer immediately prior to the time of his loss of reporting identity, together with a statement of the effective date of such termination or loss of reporting identity, and if the latter, the name and mailing address of the employer entity into which he has been merged, consolidated or otherwise absorbed.

(b) For purposes of the report required by paragraph (a) of this section, the period covered thereby shall be the portion of the employer's fiscal year ending on the effective date of his termination or loss of reporting identity.

[1] Filed as part of original document.

§ 405.5 Exceptions from the filing requirements of § 405.2.

Nothing contained in this part shall be construed to require:

(a) An employer to file a report unless he has made an expenditure, payment, loan, agreement, or arrangement of the kind described in section 203(a) of the Act;

(b) Any employer to file a report covering the services of any person by reason of his giving or agreeing to give advice to such employer or representing or agreeing to represent such employer before any court, administrative agency, or tribunal of arbitration or engaging or agreeing to engage in collective bargaining on behalf of such employer with respect to wages, hours, or other terms or conditions of employment or the negotiation of an agreement or any question arising thereunder;

(c) Any employer to file a report covering expenditures made to any regular officer, supervisor, or employee of an employer as compensation for service as a regular officer, supervisor, or employee of such employer;

(d) An attorney who is a member in good standing of the bar of any State, to include in any report required to be filed pursuant to the provisions of this Part any information which was lawfully communicated to such attorney by any of his clients in the course of a legitimate attorney-client relationship.

§ 405.6 Relation of section 8(c) of the National Labor Relations Act, as amended, to the reporting requirements of § 405.2.

While nothing contained in section 203 of the Act shall be construed as an amendment to, or modification of the rights protected by, section 8(c) of the National Labor Relations Act, as amended, activities protected by such section of the said Act are not for that reason exempted from the reporting requirements of section 203(a) of the Labor-Management Reporting and Disclosure Act of 1959 and § 405.2, and, if otherwise subject to such reporting requirements, are required to be reported if they have been engaged in during the course of the reporting fiscal year.

§ 405.7 Personal responsibility of signatories of reports.

Each individual required to sign a report under section 203(a) of the Act and under this part shall be personally responsible for the filing of such report and for any statement contained therein which he knows to be false.

§ 405.8 Maintenance and retention of records.

Every person required to file any report under this part shall maintain records on the matters required to be reported which will provide in sufficient detail the necessary basic information and data from which the documents filed with the Bureau may be verified, explained or clarified, and checked for accuracy and completeness, and shall include vouchers, worksheets, receipts, and applicable resolutions, and shall keep such records available for examination for a period of not less than five

years after the filing of the documents based on the information which they contain.

§ 405.9 Publication of reports required by this part.

Inspection and examination of any report or other document filed as required by section 203(a) of the Act and by the provisions of this part, and the furnishing by the Bureau of copies thereof to any person requesting them, shall be governed by the provisions of Part 407 of this chapter.

Interested persons are hereby afforded opportunity to participate in the rule making herein proposed by submitting data, views and arguments thereon to the Secretary of Labor, United States Department of Labor, Washington 25, D.C., within 15 days after this notice of proposed rule making is published in the FEDERAL REGISTER. Copies of proposed Form IM-10 and the instructions therefor are available upon request from the Bureau of Labor-Management Reports, United States Department of Labor, Washington 25, D.C.

Signed at Washington, D.C., this 2d day of February 1960.

JAMES T. O'CONNELL,
Acting Secretary of Labor.

[F.R. Doc. 60-1174; Filed, Feb. 4, 1960; 8:48 a.m.]

FEDERAL AVIATION AGENCY

[14 CFR Part 602]

[Airspace Docket No. 59-WA-228]

CODED JET ROUTES

Extension

Pursuant to the authority delegated to me by the Administrator (§ 409.13, 24 F.R. 3499), notice is hereby given that the Federal Aviation Agency is considering an amendment to § 602.580 of the regulations of the Administrator, the substance of which is stated below.

VOR/VORTAC jet route No. 80 presently extends from Denver, Colo., to New York, N.Y. The Federal Aviation Agency has under consideration extending this route westerly from Denver to Oakland, Calif., from the Denver VOR via the Grand Junction, Colo., VOR, the Milford, Utah, VOR, the Wilson Creek, Nev., VOR, the Tonopah, Nev., VOR, and the Stockton, Calif., VOR to the Oakland VOR. Extension of this route would simplify flight planning and improve air traffic management by providing a single numbered jet route between Oakland and New York. Operation of civil jet aircraft between these terminals is presently conducted via several separately numbered route segments.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. All communications received within forty-five days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Chief, Airspace Utilization Division. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room B-316, 1711 New York Avenue NW., Washington 25, D.C.

This amendment is proposed under sections 307(a) and 313(a) of the Federal Aviation Act of 1958 (72 Stat. 749, 752; 49 U.S.C. 1348, 1354).

Issued in Washington, D.C., on February 1, 1960.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 60-1161; Filed, Feb. 4, 1960; 8:45 a.m.]

[14 CFR Part 608]

[Airspace Docket No. 59-KC-90]

RESTRICTED AREAS

Modification of Restricted Area/Military Climb Corridor

Pursuant to the authority delegated to me by the Administrator (§ 409.13, 24 F.R. 3499), notice is hereby given that the Federal Aviation Agency is considering an amendment to § 608.31 of the regulations of the Administrator, the substance of which is stated below.

The present Restricted Area/Military Climb Corridor, associated with the Duluth Municipal Airport, Duluth, Minn., is based on the 004° radial of the Duluth TVOR extending from the 5-mile radius control zone to a point 27 miles north. The lower altitude limits extend in graduated steps from 3,400 feet MSL to 20,400 feet MSL. The upper altitude limits extend from 11,400 feet MSL to 27,000 feet MSL.

The Federal Aviation Agency has under consideration a proposal by the Department of Air Force to modify the upper altitude limits of the Duluth Restricted Area/Military Climb Corridor. The present upper altitude limits of the climb corridor will not contain later models of the Century series aircraft due to the ability of the aircraft to reach high speeds and high rate-of-climb in a short time after takeoff. Accordingly, it is proposed to modify the Restricted Area/Military Climb Corridor to provide protection for later model Century series aircraft and other aircraft operating in the vicinity of the Duluth Municipal Airport by extending the upper altitude limits from 11,400 feet MSL to 27,000 feet MSL to 16,400 feet MSL to 27,000 feet MSL.

If this action is taken, the Duluth Municipal Airport, Minn., Restricted Area/Military Climb Corridor (R-548) (Duluth Chart) would be redesignated as follows:

Description. The airspace based on the 004° True radial of the Duluth TVOR, extending from a point 5 statute miles north of the airport to a point 32 statute miles north of the airport, having a width of 2.5 statute miles east and 1.5 statute miles west of the 004° True radial at the beginning and a width of 2.3 statute miles on each side of the 004° True radial at the outer extremity.

Designated altitudes:

3,400' MSL to 16,400' MSL from 5 statute miles north of the airport to 6 statute miles north of the airport.

3,400' MSL to 25,400' MSL from 6 to 7 statute miles north of the airport.

3,400' MSL to 27,000' MSL from 7 to 10 statute miles north of the airport.

7,400' MSL to 27,000' MSL from 10 to 15 statute miles north of the airport.

11,400' MSL to 27,000' MSL from 15 to 20 statute miles north of the airport.

16,400' MSL to 27,000' MSL from 20 to 25 statute miles north of the airport.

20,400' MSL to 27,000' MSL from 25 to 32 statute miles north of the airport.

Time of designation. Continuous.

Controlling agency. Federal Aviation Agency Airport Traffic Control Tower, Duluth Municipal Airport.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Air Traffic Management Division, Federal Aviation Agency, 4825 Troost Avenue, Kansas City 10, Mo. All communications received within forty-five days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Management Division Chief, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room B-316, 1711 New York Avenue NW., Washington, D.C. An informal Docket will also be available for examination at the office of the Regional Air Traffic Management Division Chief.

This amendment is proposed under sections 307(a) and 313(a) of the Federal Aviation Act of 1958 (72 Stat. 749, 752; 49 U.S.C. 1348, 1354).

Issued in Washington, D.C., on February 1, 1960.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 60-1160; Filed, Feb. 4, 1960; 8:45 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Part 3]

[Docket No. 13340]

INTERIM POLICY ON VHF TELEVISION CHANNEL ASSIGNMENTS; TELEVISION ENGINEERING STANDARDS

Order Extending Time for Filing Comments

The Commission has before it for consideration the following pleadings in the above-entitled proceeding:

(a) Petition of Association of Maximum Service Telecasters (AMST) requesting that the time for filing comments be extended from February 19, 1960 until June 20, 1960, and the time for filing reply comments be extended until at least 45 days thereafter;

(b) Petition of Association of Federal Communications Consulting Engineers (AFCCE) requesting that the time for filing comments be extended for 60 days;

(c) Petition of National Broadcasting Company, Inc. (NBC) requesting that the time for filing comments be extended until June 20, 1960; and

(d) Oppositions to Petitions for Extension of Time filed by American Broadcasting Company (ABC).

In support of their requests, petitioners allege that additional time is needed to analyze and prepare comments on the several important questions raised by the Commission's proposals. It is further alleged additional time is needed to complete and evaluate studies now under way which will provide important technical data relevant to adjacent channel separations and the use of directional antennas.

ABC urges denial of the requests for extension of time on the ground that questions involved in this proceeding have been under study by the Commission and the industry for a considerable length of time, and that an extension of time would result in undue and unwarranted delay.

While the Commission is desirous of taking action on these proposals at the earliest possible date, it also recognizes the desirability of affording adequate time for interested parties to prepare meaningful comments on the important technical and policy questions involved. Upon consideration of all of the views expressed, the Commission believes the public interest would be served by granting an extension of time of 60 days for the filing of comments. No further extensions of time are contemplated in the absence of the most compelling considerations.

Accordingly, it is ordered, This 29th day of January 1960, that the time for filing comments herein is extended from February 19, 1960 until April 19, 1960; and that the time for filing reply comments is extended from March 7, 1960 until May 4, 1960.

Released: February 1, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 60-1180; Filed, Feb. 4, 1960; 8:49 a.m.]

[47 CFR Part 3]

[Docket No. 13374; FCC 60-56]

TELEVISION BROADCAST STATIONS; GRAND RAPIDS, CADILLAC, TRAVERSE CITY AND ALPENA, MICH.

Table of Assignments

1. The Commission has under consideration the amendment of § 3.606 *Table of assignments,* so as to provide an additional VHF channel assignment to Grand Rapids, Michigan, together with certain incidental and alternative reassignments which have been suggested in petitions for rule making referred to below.

2. In a statement submitted to the Senate Committee on Interstate and Foreign Commerce on April 17, 1959, by the Chairman of the Commission, it was announced that the Commission is pursuing studies and negotiations needed to ascertain the practicability of four alternative approaches to basic revision of television allocations. Each of these four alternatives contemplates long-range reallocations which would require a period of years to effectuate if it were found desirable and practicable to adopt it.

3. Recognizing the urgency of taking such action in the interim as would relieve the pressing scarcities of channel assignments needed to provide at least three competitive television services in the major markets, the Commission announced also that, in view of the practical limitations on the utilization of UHF channels for this purpose, it would endeavor to make such increased use of VHF frequencies as could be justified in the light of the circumstances existing in particular markets. Because of the large number of persons affected, the Commission indicated that this need is pressing in the larger markets which have so far been unable to obtain three competitive television services.

4. Recognition was also given to the near exhaustion of possibilities for making VHF assignments in such markets which would meet the minimum separation requirements which were established in the Rules in 1952, and have been adhered to since that time, with negligible exceptions. The Commission continues to regard the standard minimum separations as a necessary and important factor governing the utilization of television channels generally under the existing nationwide allocations scheme. Owing, however, to the urgency of relieving serious shortages, the Commission announced that it will consider, in appropriate cases, limited and specific exceptions to the existing minimum separation requirements.

5. One of the important markets which at present is served by only two local VHF outlets is the Grand Rapids-Kalamazoo market, which ranks thirtieth among the television markets in the United States. It is possible to assign an additional VHF channel for a commercial television station at Grand Rapids, using one of three alternative methods below. This market, because of its size, calls for the earliest possible action to provide an additional VHF outlet; and we herein invite comments on the following alternative methods of accomplishing this objective:

ALTERNATIVE NO. 1

City	Channel No.	
	Present	Proposed
Grand Rapids, Mich.	8+, *17+, 23−	8+, 13−, *17+, 23−
Cadillac, Mich.	13−, 45	7+, 45
Traverse City, Mich.	7+, 20−, *26+	9+, 20−, *26+
Alpena, Mich.	9+, *11, 30−	3, *11, 30−

ALTERNATIVE NO. 2

Grand Rapids, Mich.	8+, *17+, 23−	8+, 13−, *17+, 23−
Cadillac, Mich.	13−, 45	9, 45
Alpena, Mich.	9+, *11, 30−	11, *13, 30−

ALTERNATIVE NO. 3

Grand Rapids, Mich.	8+, *17+, 23−	8+, 11+, *17+, 23−
Marinette, Wis.	11+, 32−, *38+	11−, 32−, *38+

6. Alternative No. 1 would involve the following changes in stations now operating: Fetzer Television, Inc., licensee of Station WWTV, would shift from Channel 13 to Channel 7 at Cadillac, with a resultant short separation, on the order of 156 miles to Station WXYZ-TV, Channel 7, Detroit, Michigan, licensed to WXYZ, Inc. The licensee of Station WPBN-TV would shift from Channel 7 to Channel 9 at Traverse City. No short separation is involved there. The City of Grand Rapids where it is suggested Channel 13 may be utilized is less than the required minimum separation from Station WSPD-TV where Channel 13 is also assigned.

7. Alternative No. 2 was outlined (without the offsets indicated above) in the petition for rule making filed on November 5, 1959 (RM-148) by Atlas Broadcasting Company. It would require Fetzer Television, Inc., WWTV, Channel 13, Cadillac, Michigan, to shift from Channel 13 to Channel 9. In order to avoid less than the minimum separation between a Channel 13 station at Grand Rapids and co-channel Station WSPD-TV at Toledo, the petitioner suggests location of the transmitter site 25 miles northwest of Grand Rapids. The present transmitter site of Station WWTV, Cadillac, Michigan, which would

shift to Channel 9, is about 180 miles from CKLW–TV, now operating on Channel 9 at Windsor, Ontario. Alpena, where it is suggested that Channel 13 may be utilized is approximately 180 miles from co-channel Station CKCO–TV, Kitchener, Ontario.

8. The Atlas petition is supported by ABC and Peninsular Broadcasting Company, generally, on the grounds of the importance of the Grand Rapids market and the need for a third commercial VHF facility in the area. It is opposed by Fetzer Television, Inc., chiefly on the grounds of the costs that would be imposed on Fetzer in shifting from Channel 13 to Channel 9. Fetzer does not oppose the concept of an additional television channel assignment to the Grand Rapids, Michigan, area which would meet all of the requirements of the Commission's Rules. The Association of Maximum Service Telecasters, Inc., opposes the assignment of Channel 13 at Grand Rapids at short spacing.

9. Alternative No. 3 would require no channel shifts of existing stations but would involve locating the transmitter of the new Grand Rapids station at less than the minimum 170 mile separation to co-channel Stations WTTW at Chicago and WTOL–TV at Toledo. It would require Station WLUK–TV at Marinette to change its offset operation from Channel 11 plus to Channel 11 minus.

10. Additionally, it should be noted that Alternatives 1 and 2 call for the substitution of another VHF channel for Channel 9 now assigned to Alpena, Michigan (Channel 3 under Alternative No. 1 and Channel 11 under Alternative No. 2) the latter in turn requiring the drop-in of *13 for educational use at Alpena in lieu of Channel *11 now assigned to Alpena for education. Lake Huron Broadcasting Corporation and Gerity Broadcasting Company have applications pending for Channel 9 at Alpena, Michigan. If Alternative No. 1 or No. 2 is adopted, the applicants would be able to amend their respective applications to specify operation on Channel 3 or Channel 11 in lieu of Channel 9. No short separation is involved here.

11. Additionally, there are pending before the Commission pleadings filed by the Superintendent of Public Instruction for the State of Michigan seeking the provision of a VHF noncommercial educational assignment at Cadillac, Michigan. In an amendment filed on September 8, 1959, to the Superintendent's original petition, it is sought to accomplish this, as indicated below:

City	Channel Nos.	
	Present	Proposed
Alpena, Mich	9+, *11, 30–	*6, 11, 30–
Cadillac, Mich	13–, 45	*9, 13–, 45

This plan conflicts with Alternatives Nos. 1 and 2, above. It does not conflict with Alternative No. 3. Petitioner observes that since no VHF channel is now available for educational use in the north central portion of Michigan, the allocation of Channel 9 to the Cadillac area would provide an important and key outlet for the educational television network in this thickly populated area. As in the case of Alternative 2, above, adoption of this plan would involve amendment of the pending applications for Channel 9 at Alpena to apply for Channel 11 instead.

12. We are of the opinion that the public interest would be served by considering in this proceeding the Superintendent's amended allocation plan and accordingly, invite comments thereon.

13. In separate rule making proceedings (Docket No. 13340) initiated on January 4, 1960 the Commission announced its tentative plan to require any new station assigned at a substandard co-channel separation to suppress radiation in the direction of the existing station to the extent necessary to ensure that such new station creates no more interference to the existing station than would be caused if both stations were operating at the standard minimum spacing permitted under § 3.610 of the rules, and with maximum antenna height and power. In addition, the Commission, in Docket No. 13340 suggested the adoption of new engineering standards, including propagation and interference curves; values required for principal city service and service to "normal service areas". Additionally, the Commission's suggestion prescribed the methods to be used in ascertaining the degree of power suppression required to afford equivalent protection to existing stations and the means to be used in achieving such suppression. Comments are invited on the channel reassignments under consideration herein, in the light of the Commission's proposals in Docket 13340 relating to engineering standards and methods. We note in this connection that substandard spacings are contemplated in Alternative Plans Nos. 1 and 3. With respect to Alternative Plan No. 2 it is noted that, as outlined by the petitioner (Atlas) this plan does not envisage short spaced separations. However, since that plan would require locating the new Channel 13 transmitter at least 25 miles northwest of Grand Rapids, and at an even greater distance from Kalamazoo (which is recognized by the industry as forming part of a combined Grand Rapids-Kalamazoo television market) it may be desirable, if the plan of channel reassignments suggested in Plan No. 2 were adopted, to permit the new Channel 13 station at Grand Rapids to locate its transmitter farther south with a resultant short separation to co-channel Station WSPD–TV at Toledo. Comments are invited on this alternative possibility.

14. All the plans under consideration herein contemplate changes in channel assignments which, under the US-Canadian Agreement on border assignments require clearance with the Canadian Government. The Commission will initiate appropriate steps in compliance therewith.

15. Authority for the adoption of the amendments under consideration is contained in sections 4(i), 303 and 307(b) of the Communications Act of 1934, as amended. In view of the fact that some of the channel reassignments under considersation in this proceeding may affect outstanding authorizations for television stations, we proposed herein to determine first whether the public interest would be served by adopting any of the alternative plans. If we so determine, the Commission would then take such further procedural steps as may be appropriate to afford full protection to the rights of existing station licensees, before adopting or making effective any revisions to the present channel assignments.

16. All interested persons are invited to file, on or before April 19, 1960, comments supporting or opposing the proposals set out in this Notice and in the Appendices hereto, or submitting any modifications or counterproposals the parties may wish to submit. Comments in reply thereto may be submitted by May 4, 1960. The Commission will consider all comments filed hereunder prior to taking final action in this matter provided that, notwithstanding the provisions of § 1.213 of the rules, the Commission will not be limited solely to the comments filed in this proceeding.

17. In accordance with the provisions of § 1.54 of the Commission's rules and regulations, an original and 14 copies of all statements, briefs, or comments shall be furnished to the Commission.

Adopted: January 27, 1960.

Released: February 1, 1960.

FEDERAL COMMUNICATIONS COMMISSION,[1]

[SEAL] MARY JANE MORRIS, *Secretary.*

[F.R. Doc. 60–1181; Filed, Feb. 4, 1960; 8:49 a.m.]

[47 CFR Part 3]

[Docket No. 13375; FCC 60–57]

TELEVISION BROADCAST STATIONS; PROVIDENCE, R.I. AND NEW BEDFORD, MASS.

Table of Assignments

1. Comments are invited in the above-entitled matter looking toward amendment of § 3.606, Table of Assignments, Television Broadcast Stations, in the following respects:

City	Channel No.	
	Present	Proposed
Providence, R.I	10+, 12+, 16, *36+	6+, 10+, 12+, 16, *36+
New Bedford, Mass	6+, 28–, 34+	28–, 34+

2. In a statement submitted to the Senate Committee on Interstate and Foreign Commerce on April 17, 1959, by the Chairman of the Commission, it was announced that the Commission is pursuing studies and negotiations needed to

[1] Commissioner Hyde dissenting: dissenting statement of Commissioner Bartley, dissenting opinion of Commissioner Lee, statement of Commissioner Ford filed as part of the original document.

ascertain the practicability of four alternative approaches to basic revision of television allocations. Each of these four alternatives contemplates long-range reallocations which would require a period of years to effectuate, if it were found desirable and practicable to adopt it.

3. Recognizing the urgency of taking such action in the interim as would relieve pressing scarcities of channel assignments needed to provide at least three competitive television services in the major markets, the Commission announced also that, in view of the practical limitations on the utilization of UHF channels for this purpose, it would endeavor to make such increased use of VHF frequencies as could be justified in the light of the circumstances existing in particular markets. Because of the large numbers of persons affected, the Commission indicated that this need is pressing in the larger markets which have so far been unable to obtain three competitive television services.

4. Recognition was also given to the near exhaustion of possibilities for making VHF assignments in such markets which would meet the minimum separation requirements which were established in the Rules in 1952, and have been adhered to since that time, with negligible exceptions. The Commission continues to regard the standard minimum separations as a necessary and important factor governing the utilization of television channels generally under the existing nationwide allocations scheme. Owing, however, to the urgency of relieving serious shortages, the Commission announced that it will consider, in appropriate cases, limited and specific exceptions to the existing minimum separation requirements.

5. One of the most important markets which at present is served by only two local VHF outlets is Providence which is the 19th ranking metropolitan area in the country and has a city population of 248,674 and a standard metropolitan area population of 737,203. This market, because of its size and importance, calls for the earliest possible action to provide an additional VHF outlet in conformity with our announced policies for interim television allocations set out in Docket 13340. While the Providence assignment would necessarily require withdrawal of the present assignment of Channel 6 to New Bedford, we note that New Bedford is a much smaller city ranking as the 123rd metropolitan area with a city population of 109,189 and a standard metropolitan area population of 137,469. Co-channel stations are in operation at Schenectady, New York (WRGB), Portland, Maine (WCSH-TV) and WHDH operates on adjacent Channel 5 at Boston, Massachusetts. Since these stations are approximately 144, 145 and 33 miles, respectively, from Providence, it appears impossible to locate a transmitter for Channel 6 at Providence at the minimum co-channel spacing provided in the rules and still provide a principal city signal to Providence. In these circumstances we propose to consider the addition of Channel 6 to Providence and permitting its use at a site less than 170 miles from co-channel stations under the conditions set forth in Docket 13340.

6. It will be recalled that the Commission had before it in Docket No. 11957[1] a plan to provide Providence with an additional VHF channel. The plan required the deletion of Channel 12 at Providence and the addition of Channels 8 and 13. After careful consideration, the Commission determined that the addition of a channel under the plan proposed would require dislocation of existing services and channel shifts to a degree not consonant with the public interest. At the time, the plan was limited by the Commission's policy of maintaining the 170 miles separation requirement. A review of the proposed rule making in Docket No. 11957, together with alternative possibilities for the addition of a VHF channel at Providence, has been conducted in light of the Commission's decision to consider waiver of its mileage separation requirements in cases of critical shortages. It is believed that the proposal set out in the instant Notice would best serve the public interest, as it will require less disruption to existing services than any alternative solution to the problem.

7. In separate rule making proceedings (Docket No. 13340) initiated on January 4, 1960, the Commission announced its proposal to require any new station assigned at a substandard co-channel separation to suppress radiation in the direction of the existing station to the extent necessary to ensure that such new station creates no more interference to the existing station than would be caused if both stations were operating at the standard minimum spacing permitted under § 3.610 of the rules, and with maximum antenna height and power. In addition, the Commission in Docket No. 13340 proposed the adoption of new engineering standards, including propagation and interference curves; values required for principal city service and service to "normal service areas". Additionally, the Commission's suggestion prescribed the methods to be used in ascertaining the degree of power suppression required to afford equivalent protection to existing stations and the means to be used in achieving such suppression. Comments are invited on the channel reassignment under consideration herein, in the light of the Commission's proposals in Docket 13340 relating to engineering standards and methods.

8. The Commission is of the view that a rule making proceeding should be instituted and that interested parties should be invited to file comments on the desirability of reassigning Channel 6 from New Bedford to Providence.

9. Authority for the adoption of the amendments under consideration is contained in sections 4(i), 303 and 307(b) of the Communications Act of 1934, as amended. In view of the fact that some of the channel reassignments under consideration in this proceeding may affect outstanding authorizations for television stations, we propose herein to determine first whether the public interest would be served by providing a third VHF outlet for Providence on Channel 6. If we so determine, the Commission would then take such further procedural steps as may be appropriate to afford full protection to the rights of existing station licensees, before adopting or making effective any revisions to the present channel assignments.

10. All interested persons are invited to file, on or before April 19, 1960, comments supporting or opposing the proposals set out in this Notice and in the dissenting statements, or submitting any modifications or counterproposals the parties may wish to submit. Comments in reply thereto may be submitted by May 4, 1960. The Commission will consider all comments filed hereunder prior to taking final action in this matter provided that, notwithstanding the provisions of § 1.213 of the rules, the Commission will not be limited solely to the comments filed in this proceeding.

11. In accordance with the provisions of § 1.54 of the Commission's rules and regulations, an original and 14 copies of all statements, briefs, or comments shall be furnished to the Commission.

Adopted: January 27, 1960.

Released: February 1, 1960.

FEDERAL COMMUNICATIONS COMMISSION,[1]

[SEAL] MARY JANE MORRIS, *Secretary.*

[F.R. Doc. 60-1182; Filed, Feb. 4, 1960; 8:50 a.m.]

[1] Commissioner Hyde dissenting; dissenting statement of Commissioner Bartley and statement of Commissioner Ford filed as part of the original document.

[1] See Report and Order, Docket No. 11957, released October 31, 1958 (FCC 58-1023).

NOTICES

DEPARTMENT OF THE TREASURY

Office of the Secretary

[1960 Dept. Circular 1037]

4⅞ PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES A-1961

Offering of Certificates

FEBRUARY 1, 1960.

I. *Offering of certificates.* 1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for certificates of indebtedness of the United States, designated 4⅞ percent Treasury Certificates of Indebtedness of Series A-1961 in exchange for:

3¾ percent Treasury Certificates of Indebtedness of Series A-1960, maturing February 15, 1960.

1½ percent Treasury Notes of Series EA-1960, maturing April 1, 1960.

Interest will be adjusted as of March 15, 1960, in the case of the Notes of Series EA–1960, as provided in section IV *Payment,* hereof. The amount of the offering under this circular will be limited to the amount of the eligible securities of the two issues tendered in exchange and accepted. The books will be open only on February 1 through February 3 for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the maturing certificates and the notes of Series EA–1960 are offered the privilege of exchanging all or any part of such securities for 4⅞ percent Treasury Notes of Series C–1964, which offering is set forth in Department Circular No. 1038, issued simultaneously with this circular.

II. *Description of certificates.* 1. The certificates will be dated February 15, 1960, and will bear interest from that date at the rate of 4⅞ percent per annum, payable semiannually on August 15, 1960, and February 15, 1961. They will mature February 15, 1961, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates is subject to all taxes imposed under the Internal Revenue Code of 1954. The certificates are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer certificates with interest coupons attached will be issued in denominations of $1,000, $5,000, $10,000, $100,000, $1,000,000, $100,000,000 and $500,000,000. The certificates will not be issued in registered form.

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

III. *Subscription and allotment.* 1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Office of the Treasurer of the United States, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, and to allot less than the amount of certificates applied for; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. *Payment.* 1. Payment at par for certificates allotted hereunder must be made on or before February 15, 1960, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series A–1960, maturing February 15, 1960, or Treasury Notes of Series EA–1960, maturing April 1, 1960, which will be accepted at par, and should accompany the subscription. Coupons dated February 15, 1960, should be detached from the maturing certificates by holders and cashed when due. Coupons dated April 1, 1960, must be attached to the notes when surrendered, and accrued interest from October 1, 1959, to March 15, 1960 ($6.80328 per $1,000) will be credited, accrued interest from February 15, 1960, to March 15, 1960 ($3.88393 per $1,000) on the certificates to be issued will be charged, and the difference ($2.91935 per $1,000) will be paid to holders of the notes following their acceptance.

V. *General Provisions.* 1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for certificates allotted, to make delivery of certificates on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive certificates.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

[SEAL] ROBERT B. ANDERSON,
Secretary of the Treasury.

[F.R. Doc. 60–1177; Filed, Feb. 4, 1960; 8:48 a.m.]

[1960 Dept. Circular 1038]

4⅞ PERCENT TREASURY NOTES OF SERIES C–1964

Offering of Notes

FEBRUARY 1, 1960.

I. *Offering of notes.* 1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at 99.75 percent of their face value, from the people of the United States for notes of the United States, designated 4⅞ percent Treasury Notes of Series C–1964 in exchange for:

3¾ percent Treasury Certificates of Indebtedness of Series A–1960, maturing February 15, 1960.

1½ percent Treasury Notes of Series EA–1960, maturing April 1, 1960.

A cash adjustment, as provided in section IV *Payment,* hereof, will be made in favor of subscribers for the discount from the face value of the new notes and for interest adjustments in the case of the notes of Series EA–1960. The amount of the offering under this circular will be limited to the amount of the eligible securities of the two issues tendered in exchange and accepted. The books will be open only on February 1 through February 3 for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the maturing certificates and the notes of Series EA–1960 are offered the privilege of exchanging all or any part of such securities for 4⅞ percent Treasury Certificates of Indebtedness of Series A–1961, which offering is set forth in Department Circular No. 1037, issued simultaneously with this circular.

II. *Description of notes.* 1. The notes will be dated February 15, 1960, and will bear interest from that date at the rate of 4⅞ percent per annum, payable on a semiannual basis on May 15 and November 15, 1960, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature November 15, 1964, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes is subject to all taxes imposed under the Internal Revenue Code of 1954. The notes are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The notes will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer notes with interest coupons attached, and notes registered as to principal and interest, will be issued in denominations of $1,000, $5,000, $10,000, $100,000, $1,000,000, $100,000,000 and $500,000,000. Provision will be made for the interchange of notes of different denominations and of coupon and registered notes, and for the transfer of registered notes, under rules and regulations prescribed by the Secretary of the Treasury.

5. The notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States notes.

III. *Subscription and allotment.* 1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Office of the Treasurer of the United States, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, and to allot less than the amount of notes applied for; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. *Payment.* 1. Payment for the face amount of notes allotted hereunder must be made on or before February 15, 1960, or on later allotment, and may be made only in a like face amount of Treasury Certificates of Indebtedness of Series A–1960, maturing February 15, 1960, or Treasury Notes of Series EA–1960, maturing April 1, 1960, which should accompany the subscription.

Coupons dated February 15, 1960, should be detached from the maturing certificates by holders and cashed when due. The discount of $2.50 per $1,000 on notes allotted will be paid to holders of the maturing certificates following their acceptance. Coupons dated April 1, 1960, must be attached to the notes of Series EA–1960 when surrendered. Accrued interest from October 1, 1959, to March 15, 1960 ($6.80328 per $1,000) on the notes surrendered plus the discount of $2.50 per $1,000 on notes allotted will be credited, accrued interest from February 15, 1960, to March 15, 1960 ($3.88393 per $1,000) on the notes to be issued will be charged, and the difference ($5.41935 per $1,000) will be paid to holders of the notes of Series EA–1960 following their acceptance.

V. *General provisions.* 1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

[SEAL] ROBERT B. ANDERSON,
Secretary of the Treasury.

[F.R. Doc. 60–1178; Filed, Feb. 4, 1960; 8:48 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket Nos. 13379, 13380; FCC 60–68]

BIBLE INSTITUTE OF LOS ANGELES, INC. (KBBI) AND BENJAMIN C. BROWN

Order Designating Applications for Consolidated Hearing on Stated Issues

In re applications of The Bible Institute of Los Angeles, Incorporated (KBBI), Los Angeles, California, Has: 107.5 Mc, #298; 19.5 kw; 175 feet, Req: 107.5 Mc, #298; 33.95 kw; 2,783.6 feet, Docket No. 13379, File No. BMPH–5311; Benjamin C. Brown, Oceanside, California, Req: 107.7 Mc, #299; 5.4 kw; 47 feet, Docket No. 13380, File No. BPH–2687; for construction permits.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 27th day of January 1960;

The Commission having under consideration the above-captioned and described applications;

It appearing that except as indicated by the issues specified below, each of the instant applicants is legally, technically, financially and otherwise qualified to construct and operate its instant proposal; and

It further appearing that pursuant to section 309(b) of the Communications Act of 1934, as amended, the Commission, in a letter dated October 16, 1959, and incorporated herein by reference, notified the instant applicants, and other known parties in interest, of the grounds and reasons for the Commission's inability to make a finding that a grant of either of the applications would serve the public interest, convenience, and necessity; and that a copy of the aforementioned letter is available for public inspection at the Commission's offices; and

It further appearing that the instant applicants filed timely replies to the aforementioned letter, which replies have not, however, entirely eliminated the grounds and reasons precluding a grant and requiring an evidentiary hearing on the particular issues as hereinafter specified; and

It further appearing that in the Commission's letter of October 16, 1959, Cordell W. Fray, then permittee of Station KANT–FM, Lancaster,[1] California, was advised that "In the absence of an agreement between KBBI and Cordell W. Fray, permittee of KANT–FM, to accept the mutual interference within 1 mv/m contours, it appears that it may be necessary to designate for hearing the instant application of KBBI and (pursuant to section 319 of the Communications Act of 1934, as amended) an application by KANT–FM for station license to cover the above-referenced construction permit"; but that no reply was received from KANT–FM and we conclude, therefore, that KANT–FM does not object to a grant of the KBBI application and, accordingly, KANT–FM is not made a party to the proceeding and its license application is not included in the hearing proceeding; and

It further appearing that after consideration of the foregoing and the applicants' replies, the Commission is still unable to make the statutory finding that a grant of the applications would serve the public interest, convenience, and necessity; and is of the opinion that the applications must be designated for hearing in a consolidated proceeding on the issues specified below:

It is ordered, That, pursuant to section 309(b) of the Communications Act of 1934, as amended, the instant applications are designated for hearing in a consolidated proceeding, at a time and place to be specified in a subsequent order, upon the following issues:

1. To determine the area and population within the 1 mv/m contour which may be expected to gain or lose service from the proposed operation of Station KBBI and the availability of other such FM broadcast service to such area and population.

2. To determine the area and population within the 1 mv/m contour of the operation proposed by Benjamin C. Brown and the availability of other such FM broadcast service to the said area and population.

3. To determine the nature and extent of the interference, if any, that each of the instant proposals would cause to and receive from each other and all other existing FM broadcast stations, the areas and populations affected thereby, and the availability of other FM service to the areas and populations affected by interference from any of the instant proposals.

4. To determine whether the instant proposal of KBBI would involve objectionable interference with the station proposed in BPH–2403 (D–12549) for Sierra Madre, California, or any existing FM broadcast stations, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other service to such areas and populations.

5. To determine the class of each program proposed by Benjamin C. Brown and whether the said programming would serve the needs of Oceanside, California.

6. To determine whether remote control operation of the transmitter is proposed by Benjamin C. Brown.

7. To determine in the light of section 307(b) of the Communications Act of 1934, as amended, which of the instant proposals would better provide a fair, efficient, and equitable distribution of radio service.

8. To determine, in the light of the evidence adduced, pursuant to the foregoing issues, which, if either, of the instant applicants should be granted.

It is further ordered, That the Sierra Madre Broadcasting Company, BPH–2403 (D–12549) is made a party to the proceeding.

It is further ordered, That, to avail themselves of the opportunity to be heard, the applicants and party respondent herein, pursuant to § 1.140 of the Commission's rules, in person or by attorney, shall, within 20 days of the mailing of this order, file with the Commission, in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this order.

It is further ordered, That, the issues in the above-captioned proceeding may be enlarged by the Examiner, on his own motion or on petition properly filed by a party to the proceeding, and upon sufficient allegations of facts in support thereof, by the addition of the following issue: To determine whether the funds available to the applicant will give reasonable assurance that the proposals set forth in the application will be effectuated.

Released: February 2, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 60–1183; Filed, Feb. 4, 1960; 8:50 a.m.]

[1] The instant KBBI application was pending at the time the KANT–FM application for construction permit was granted.

[Docket Nos. 13376–13378; FCC 60–67]

JOHN CLEMON GREENE, JR. ET AL.

Order Designating Applications for Consolidated Hearing on Stated Issues

In re application of John Clemon Greene, Jr., Winchester, Virginia, Requests: 610 kc, 500 w, day, Docket No. 13376, File No. BP–12240; Shenandoah Life Stations, Incorporated (WSLS), Roanoke, Virginia, Has: 610 kc, 1 kw, 5 kw–LS, DA–2, U; Req: 610 kc, 1 kw, 5 kw–LS, DA–2, U (Proposes change in daytime DA system), Docket No. 13377, File No. BP–12610; Edwin R. Fischer, Winchester, Virginia, Req: 610 kc, 500 w, DA–Day, Docket No. 13378, File No. BP–13139.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 27th day of January 1960;

The Commission having under consideration the above captioned and described applications;

It appearing that except as indicated by the issues specified below, John Clemon Greene, Jr., Shenandoah Life Stations, Incorporated, and Edwin R. Fischer are legally, technically, financially, and otherwise qualified to construct and operate their instant proposal; and

It further appearing that pursuant to section 309(b) of the Communications Act of 1934, as amended, the Commission, in a letter dated October 20, 1959, and incorporated herein by reference, notified the instant applicants, and any other known parties in interest, of the grounds and reasons for the Commission's inability to make a finding that a grant of any one of the applications would serve the public interest, convenience, and necessity; and that a copy of the aforementioned letter is available for public inspection at the Commission's offices; and

It further appearing that the instant applicants filed timely replies to the aforementioned letter, which replies have not, however, entirely eliminated the grounds and reasons precluding a grant of the said applications and requiring an evidentiary hearing on the particular issues as hereinafter specified; and in which the applicants stated that they would appear at a hearing on the instant applications; and

It further appearing that after consideration of the foregoing and the applicants' replies, the Commission is still unable to make the statutory finding that a grant of the applications would serve the public interest, convenience, and necessity; and is of the opinion that the applications must be designated for hearing in a consolidated proceeding on the issues specified below;

It further appearing that in a petition filed on December 10, 1959, John Clemon Greene, Jr. claims the application of Edwin R. Fischer should be dismissed pursuant to § 1.307(a) of the Commission rules because (1) it contains no request for waiver of § 3.28(c)(3) with which it is in contravention; and that (2) because Fischer shows a $60,000 loan from 5 relatives, although he has real estate valued at approximately $520,000 and because he amended his application to show that repayments on the loans would begin within 60 days instead of two years, as previously specified, the Commission should raise issues on Fischer's financial qualifications and whether the relatives would have an interest in the proposed station; and

It further appearing that in an opposition filed on January 4, 1960, Fischer states that Greene has submitted no factual data purporting to show that the Fischer proposal is in contravention of § 3.28(c)(3); that his proposal is in compliance with said section, but that a waiver is requested if the Commission should determine it is not; that, in his application, he has declared, under oath, that no other person would have any interest in the proposed station; and that a loan was obtained in preference to selling any of his "Oxon Hill" property because said property is expected to appreciate considerably in the near future upon completion of the Intercounty Belt Highway and the new Jones Point Bridge near Alexandria, Virginia; and

It further appearing that in view of the foregoing, we are of the opinion that the Fischer application should not be dismissed since it has not been determined that the proposal is, in fact, in contravention of § 3.28(c)(3) and since Fischer has requested a waiver of said section if the proposal is found to be in contravention thereof; that the allegations made by Greene raise no substantial question of whether the said relatives would have an ownership interest in the proposed station; that Fischer is financially qualified to construct and operate his instant proposal since $78,934 appears necessary for putting on the air and operating, for three months, Fischer's instant proposal and his proposal which is in hearing (Docket No. 13048, BP–13144); that he has a $60,000 loan, leaving a total of $18,934 which could be readily obtained by a mortgage loan on the said property which Fischer says, in his application, he would encumber if further funds were necessary; and that accordingly, we find no merit in the said allegations by Greene, and therefore his petition should be dismissed; and

It is ordered, That, pursuant to section 309(b) of the Communications Act of 1934, as amended, the instant applications are designated for hearing in a consolidated proceeding, at a time and place to be specified in a subsequent order, upon the following issues:

1. To determine the areas and populations which would receive primary service from the proposals of John Clemon Greene, Jr., and Edwin R. Fischer and the availability of other primary service to such areas and populations.

2. To determine the areas and populations which may be expected to gain or lose primary service from the proposed operation of Station WSLS and the availability of other primary service to such areas and populations.

3. To determine the nature and extent of the interference, if any, that each of the instant proposals would cause to and receive from each other and all other existing standard broadcast stations, the areas and populations affected thereby, and the availability of other primary service to the areas and populations affected by interference from any of the instant proposals.

4. To determine whether the instant proposal of BP–12240 would involve objectionable interference with Stations WHJB and WIP, Greensburg and Philadelphia, Pennsylvania, respectively, or any other existing standard broadcast stations, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other primary service to such areas and populations.

5. To determine whether the instant proposal of BP–12610 would involve objectionable interference with Station WTVN, Columbus, Ohio, or any other existing standard broadcast stations, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other primary service to such areas, and populations.

6. To determine whether the interference received from any of the other proposals herein and any existing stations would affect more than ten percent of the population within the normally protected primary service area of any one of the instant proposals in contravention of § 3.28(c)(3) of the Commission rules and, if so, whether circumstances exist which would warrant a waiver of said Section.

7. To determine the type and character of program service which would be broadcast by John Clemon Greene, Jr., and whether the program service would meet the needs of the city sought to be served.

8. To determine, in the light of section 307(b) of the Communications Act of 1934, as amended, whether the proposal for Roanoke, Virginia, or one of the proposals for Winchester, Virginia would better provide a fair, efficient and equitable distribution of radio service.

9. To determine in the event it is concluded pursuant to the foregoing issue that one of the proposals for Winchester, Virginia, should be favored, which of the proposals of John Clemon Greene, Jr., or Edwin R. Fischer would better serve the public interest, convenience and necessity in the light of the evidence adduced under the issues herein and the record made with respect to the significant differences between the said applicants as to:

(a) The background and experience of each having a bearing on the applicant's ability to own and operate the proposed standard broadcast station.

(b) The proposal of each with respect to the management and operation of the proposed station.

(c) The programming services proposed in each of the said applications.

10. To determine, in the light of the evidence adduced, pursuant to the foregoing issues, which, if any, of the instant applications should be granted.

It is further ordered, That, in the event that the proposal of John Clemon Greene, Jr., is granted, that the construction permit will contain a condition that

a nondirectional proof of performance be submitted to establish that the minimum efficiency of 175 mv/m/kw has been obtained.

It is further ordered, That, WHJB, Incorporated, WIP Broadcasting, Inc., and Taft Broadcasting Co., licensees of Stations WHJB, WIP and WTVN, respectively, are made parties to the proceeding.

It is further ordered, That, to avail themselves of the opportunity to be heard, the applicants and parties respondent herein, pursuant to § 1.140 of the Commission rules, in person or by attorney, shall, within 20 days of the mailing of this order, file with the Commission, in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this order.

It is further ordered, That the issues in the above-captioned proceeding may be enlarged by the Examiner, on his own motion or on petition properly filed by a party to the proceeding, and upon sufficient allegations of fact in support thereof, by the addition of the following issue: To determine whether the funds available to the applicant will give reasonable assurance that the proposals set forth in the application will be effectuated.

It is further ordered, That, the petition filed on December 10, 1959 by John Clemon Greene, Jr., is hereby denied.

Released: February 1, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 60-1184; Filed, Feb. 4, 1960; 8:50 a.m.]

[Docket No. 13252; FCC 60M-215]

TRI-STATE BROADCASTING CO.

Order Continuing Hearing

In re application of Tri-State Broadcasting Company, Summerville, Georgia, Docket No. 13252, File No. BP-12296; for construction permit.

The Hearing Examiner having under consideration letters filed by Tri-State Broadcasting Company on January 27 and 29, 1960, requesting continuance herein:

It appearing that counsel for all parties have consented to the continuance requested;

It is ordered, This 29th day of January, 1960, that the informal request is granted; and the dates designated for various procedural steps herein are postponed or scheduled as follows:

	From—	To—
Date for exchange of exhibits constituting direct case	Feb. 1, 1960	Feb. 8, 1960
Notification of witnesses desired for cross-examination	(1)	Feb. 15, 1960
Hearing date	Feb. 12, 1960	[2] Feb. 25, 1960

[1] No previous date set.
[2] At 2:00 p.m.

Released: February 1, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 60-1185; Filed, Feb. 4, 1960; 8:50 a.m.]

FEDERAL POWER COMMISSION

[Docket No. E-6925]

CAROLINA POWER & LIGHT CO.

Order To Show Cause

FEBRUARY 1, 1960.

The 1958 Annual Report (FPC Form No. 1) of Carolina Power & Light Company (Company), a North Carolina corporation with its principal place of business at Raleigh, North Carolina, indicates that Company is currently accounting and reporting certain credits arising from accounting procedures for deferred taxes on income in a manner contrary to the requirements of the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees.

Company is a public utility and a licensee within the meaning of those terms under the Federal Power Act.

Company's Annual Report to the Commission for 1958 shows as of December 31, 1958, a credit of $9,120,389 in Account 266—Accumulated Deferred Taxes on Income, of annual accruals of deferred taxes attributable to Section 168[1] of the Internal Revenue Code of 1954. Company's annual charges to income for the federal income taxes thus deferred have been charged to Account 507A—Provision for Deferred Taxes on Income. These two accounts constitute the balance sheet and income accounts, respectively, prescribed by this Commission's Order No. 204 (19 FPC 837) as the appropriate accounting classification for federal income taxes deferred by reason of accelerated amortization and liberalized depreciation practices under Sections 168 and 167, respectively, of the Internal Revenue Code of 1954.

Notwithstanding these applicable accounting classifications, Company's 1958 Annual Report to stockholders shows that Company is currently reporting the accumulated accruals of deferred taxes on income which the Commission has required to be set forth in Account 266, through another balance sheet account captioned "Earned surplus (including amounts restricted for future Federal taxes on income * * *)".[2] Company's Annual Report to stockholders is required to be appended as a part of Company's FPC Form No. 1, Annual Report to the Commission.[3]

Correspondence between Company representatives and this Commission's staff has failed to show any justification for Company's departure from the requirements of this Commission's Uniform System of Accounts. Moreover, Company representatives have indicated that Company proposes to continue the afore-mentioned accounting practices.

In view of the foregoing, it is necessary and appropriate for the purposes of the Federal Power Act (particularly sections 301(a), 304 and 309 thereof), that Company show cause, if there be any, for its past and continuing departure from the requirements of this Commission's Uniform System of Accounts; all in the manner hereinafter provided.

The Commission orders:

Company shall show cause, if there be any, under oath and in writing within 60 days from the issuance of this order, why the Commission should not find and determine:

(1) That Company is reporting the financial data set forth in Account 266 (i.e., accumulated deferred taxes on income), otherwise than as prescribed by the Commission's Uniform System of Accounts, all as indicated above, and therefore that it has and continues to violate the accounting and reporting requirements prescribed by the Commission through its Uniform System of Accounts;

(2) That this action by Company constitutes a willful and knowing violation of the Federal Power Act;

(3) That the Company be required to make, keep, preserve and report its accounts in the manner prescribed by this Commission in the Uniform System of Accounts Prescribed for Public Utilities and Licensees; and

(4) That the Company be ordered to file such substitute pages of its Annual Report for 1958 (FPC Form No. 1) to make the reporting of accumulated taxes on income therein consistent, and in compliance with the requirements of such reports as prescribed by the Commission.

By the Commission.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 60-1162; Filed, Feb. 4, 1960; 8:45 a.m.]

[1] Formerly section 124A of the Federal Internal Revenue Act of 1950.
[2] Order No. 204 (19 FPC 837) finds that surplus, even though restricted, is not an appropriate account for the classification of deferred taxes on income.
[3] Registration Statements heretofore filed by Company under the Securities Act of 1933 reflect the same practice.

[Docket No. G-18687]

CITY OF ALDEN, KANSAS

Notice of Application and Date of Hearing

FEBRUARY 1, 1960.

Take notice that the City of Alden, Rice County, Kansas (Applicant), filed on May 28, 1959, an application, and on August 28, 1959, a supplement thereto, pursuant to section 7(a) of the Natural Gas Act for an order directing Michigan Wisconsin Pipe Line Company (Michigan Wisconsin) to establish physical connection of its transportation facilities with facilities proposed to be constructed by Applicant and to sell and deliver to Applicant natural gas for resale to the public in Alden, all as more fully represented in the application, which is

on file with the Commission and open for public inspection.

Applicant proposes to construct and operate approximately a mile and a half of 2-inch lateral from a point of connection with Michigan Wisconsin's pipeline to said City of Alden. Applicant also proposes to construct and operate a distribution system for the City of Alden.

The estimated annual third year requirements for Alden are 23,507 Mcf. The estimated third year peak day requirements are 224 Mcf per day.

The total estimated cost of the proposed facilities is $27,614, which Applicant proposes to finance by the issuance of general obligation bonds in the amount of $30,000.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on March 15, 1960, at 10:00 a.m., e.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concerning the matters involved in and the issues presented by such application.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before March 1, 1960.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 60-1163; Filed, Feb. 4, 1960; 8:46 a.m.]

[Docket No. E-6468]

SOUTH CAROLINA ELECTRIC & GAS CO.

Order Fixing Hearing

FEBRUARY 1, 1960.

On December 8, 1952 the Commission issued an order instituting an investigation under section 10(f) of the Federal Power Act for the purpose of enabling the Commission to determine whether the hydroelectric project of the South Carolina Electric & Gas Company (the Company), located on the Savannah River and known as the Stevens Creek Project, and whether the project of the City of Augusta, Georgia, (the City) on the Savannah River, in part licensed under the Federal Power Act as a minor part Project No. 746, will be directly benefited by the construction and operation of the upstream project of the United States known as the Clark Hill Project, and if it so finds, to determine the equitable proportion of annual charges for interest, maintenance and depreciation on the Clark Hill Project which the owners of either of the downstream projects would be required to pay annually.

A May 1959 report, as amended by letter dated November 4, 1959, of investigation the staff of the Commission's Bureau of Power covering the years 1950–1955, containing recommendations has been submitted to the Company, and the Company has made a request for a hearing thereon. The staff reports that its study shows no benefits at the project of the City attributable to the Clark Hill Project during the period 1950–1955.

The Commission finds: It is appropriate and in the public interest that a public hearing be held respecting the matters involved and the issues presented by the investigation and the recommendations contained in the report of investigation concerning annual charges which the Company may be required to pay for the period 1950–1955.

The Commission orders:

(A) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Federal Power Act, particularly section 10(f) and section 307 (a) thereof, and the Commission's rules of practice and procedure, a public hearing shall be held, commencing at a time and place to be fixed by notice to be issued by the Secretary of the Commission, respecting the matters involved and the issues presented by the investigation and the aforesaid recommendations concerning the annual charges which the Company may be required to pay for the years 1950 to 1955, inclusive.

(B) Petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the Commission's rules of practice and procedure (18 CFR 1.8) on or before March 15, 1960.

By the Commission.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 60-1164; Filed, Feb. 4, 1960; 8:46 a.m.]

[Project No. 2243]

PACIFIC NORTHWEST POWER CO.

Order Fixing Hearing

FEBRUARY 1, 1960.

On March 31, 1958, Pacific Northwest Power Company filed an application for a license under the Federal Power Act for a proposed project known as the High Mountain Sheep Hydroelectric Development, designated in the Commission's records as Project No. 2243, to be located on the Snake River approximately .5 mile upstream from the Salmon River and 2.5 miles downstream from the Imnaha River. The dam having a maximum height of 690 feet with its top elevation at 1520 above sea level is proposed to be built across the Snake River, as indicated, with one abutment lying in Idaho County, Idaho, and the other in Wallowa County, Oregon.

The Applicant has requested a hearing at the earliest possible date, and other parties have indicated their interests in participating in such a hearing.

The Commission finds: It is appropriate and in the public interest that a public hearing be held concerning the matters involved and the issues presented by the application for license for Project No. 2243.

The Commission orders: Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Federal Power Act, particularly sections 4, 6 and 308 thereof, and the Commission's rules of practice and procedure, a public hearing shall be held commencing on March 21, 1960, at 10:00 a.m., e.s.t., at the Commission's hearing room, General Accounting Office Building, 441 G Street NW., Washington 25, D.C., concerning the matters involved and the issues presented by the application for a license for Project No. 2243.

By the Commission.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 60-1165; Filed, Feb. 4, 1960; 8:46 a.m.]

[Docket No. G-19424]

TRANSCONTINENTAL GAS PIPE LINE CORP. AND ATLANTIC SEABOARD CORP.

Notice of Application and Date of Hearing

FEBRUARY 1, 1960.

Take notice that on September 8, 1959, Transcontinental Gas Pipe Line Corporation (Transco) and Atlantic Seaboard Corporation (Seaboard), filed in Docket No. G-19424 a joint application, as supplemented on November 3, 1959, pursuant to section 7 of the Natural Gas Act for a certificate of public convenience and necessity authorizing Transco and Seaboard to exchange natural gas at certain existing points of interconnection. Transco also seeks authority to construct and operate new interconnection facilities to carry out the proposed exchange of gas.

Seaboard is the sole supplier of natural gas to Commonwealth Natural Gas Corporation (Commonwealth), whose 18-inch main line extends from Seaboard's point of delivery at its Bricker Compressor Station in Virginia to Richmond.

Transco and Seaboard have entered into an exchange agreement dated August 21, 1959, which proposes four points of interconnection for the proposed exchange of gas. Two of these interconnecting points, namely the one at Rockville, Montgomery County, Maryland, and the one at Ballard Farm, Baltimore County, Maryland, are already in existence. A third point of interchange, namely the one at Dranesville, Fairfax County, Virginia was applied for by Transco and was authorized on November 17, 1959, in Docket No. G-16603, and a companion connecting line by Seaboard in Docket No. G-18163. Temporary authorizations have been issued in Docket No. G-18163 on May 14, 1959 and October 28, 1959 for the connection at Dranesville. At these three points, Transco has authority to sell contract demand gas to Seaboard.

At a proposed fourth point of exchange, Transco is herein applying for authorization to construct and operate an 8-inch tap where its system crosses Commonwealth's main line near Boswell's Tavern.

Direct exchange of gas between Transco and Seaboard can be made at

any of the first three points mentioned above. Re-delivery of exchange volumes will be made within 60 days at the point of original delivery or, with concurrence of both parties, at any other point of interconnection.

Delivery by Transco to Commonwealth for the account of Seaboard could be made at the fourth point near Boswell's Tavern. Re-delivery of such volumes by Seaboard to Transco is to be made at the Dranesville interconnection within 60 days. The connection at Boswell's Tavern could be extremely valuable to Commonwealth in case of a line break on Seaboard's system or on Commonwealth's system north of the proposed connection.

The following table shows daily volumes which could be delivered at the points of interconnection.

[In thousand cubic feet]

Delivery point	Deliveries by Transco to Seaboard	Deliveries by Seaboard to Transco
Boswell's Tavern	165,000	None
Dranesville	113,000	57,000
Rockville	270,000	270,000
Ballard Farm	69,900	69,900

Applicants state that no sale of natural gas is involved in the instant application, merely an equivalent exchange of gas in unusual situations.

The cost of Transco's proposed 8-inch tap at Boswell's Tavern is estimated at $3,000, which will be financed with cash on hand. Applicants state that Commonwealth has agreed to reimburse Transco for the cost of this interconnection. Commonwealth will construct and operate the meter station at the approximate cost of $40,000 at the proposed interconnection. The tap and the meter stations will be built on Commonwealth's property.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on March 4, 1960, at 9:30 a.m., e.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street, NW., Washington, D.C. concerning the matters involved in and the issues presented by such application: *Provided, however,* That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30(c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicants to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C. in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before February 23, 1960. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 60-1166; Filed, Feb. 4, 1960; 8:46 a.m.]

[Docket No. G-19632]

SOUTHERN NATURAL GAS CO.

Notice of Application and Date of Hearing

FEBRUARY 1, 1960.

Take notice that Southern Natural Gas Company (Southern), a Delaware corporation, with its principal place of business in Birmingham, Alabama, filed an application on October 5, 1959 for a certificate of public convenience and necessity authorizing the construction and operation of additional natural gas facilities and to sell and deliver gas as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the application which is on file with the Commission and open to public inspection. In addition, Southern seeks authorization to abandon certain natural gas facilities in connection with its proposal which is also outlined in the aforementioned application.

Southern, by its application proposes to construct and operate the following facilities for the sale of gas to three new customers, Carolina Pipeline Co., Ruberoid Company and Hercules Powder Company.

Construct and operate	*Estimated cost*
(a) Three measuring and regulating stations, one at each delivery point to the three new customers	$59,846
(b) .75 miles of 4½ inch branch pipeline from Southern's Savannah line to the Ruberoid plant	24,630
(c) 1.5 miles of 4½ inch branch pipeline from Southern's Savannah line to the Hercules plant	45,630
(d) Additional 1,460 compressor horsepower at Southern's existing Wrens Compressor Station in Georgia on its lateral extending to Savannah	281,900
Total	412,006

Abandonment and relocation proposed. Remove 800 horsepower compressor engine from Southern's Ben Hill Compressor Station where it is not needed and relocate the same at Wrens Compressor Station as part of the proposed additional compressor facilities of 1,460 horsepower at Wrens.

Southern states that it can render its proposed and authorized existing service without the use of the 800 horsepower compressor at Ben Hill.

Service proposed includes. (1) Firm delivery to Carolina Pipeline Company (Carolina) of up to 10,340 Mcf per day @ 14.73 psia at Aiken, South Carolina, for distribution in communities in South Carolina.

(2) Interruptible delivery to Ruberoid Company (Ruberoid) of up to 2,800 Mcf per day @ 14.73 psia at Savannah, Georgia, for use by Ruberoid for direct heating and for the generation of steam.

(3) Interruptible delivery to Hercules Powder Company (Hercules) of up to 2,100 Mcf per day @ 14.73 psia at Savannah, Georgia, to be used by Hercules for direct heating and for the generation of steam.

Southern's proposed firm service to Carolina is based on a precedent agreement as evidenced by Southern's letter of September 11, 1959. To render the proposed service Southern proposes to construct and operate a meter and regulator station at Aiken, South Carolina, where it now delivers gas to South Carolina Natural Gas Company.

Carolina intends to use this additional firm supply of natural gas to meet the needs of its existing customers as well as to initiate retail service in the five communities of Bethune, Conway, Georgetown, Myrtle Beach and Winnsboro, all in South Carolina, none of which has natural gas service at the present time.

Carolina also intends to render service, on an interruptible basis, to a main line industrial customer, the E. I. duPont de Nemours and Company, in connection with the manufacture of polyester film at duPont's new plant near Florence, South Carolina.

Southern proposes to defray the estimated total cost of the facilities, $412,006, from funds on hand. Its economic studies forecast net revenue from the three new customers at $226,860 per year.

Take further notice that pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on March 15, 1960, at 10:00 a.m., e.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concerning the matters involved in and the issues presented by such applications.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR or 1.10) on or before February 26, 1960.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 60-1167; Filed, Feb. 4, 1960; 8:46 a.m.]

INTERSTATE COMMERCE COMMISSION

[Notice 260]

MOTOR CARRIER TRANSFER PROCEEDINGS

FEBRUARY 2, 1960.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Com-

merce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC–FC 62800. By order of January 29, 1960, The Transfer Board approved the transfer to W. Evers & Son Storage Co., a Corporation, Wilmington, Del., of the operating rights of Warren S. Evers and Warren W. Evers, a Partnership, doing business as W. Evers & Son Transfer Co., Wilmington, Del., in Certificate No. MC 107300, issued October 8, 1948, authorizing the transportation, over irregular routes, of household goods, between points in New Castle County, Del., on the one hand, and, on the other, points in Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, and the District of Columbia. Bayard W. Allmond, 421 Wilmington Trust Building, Wilmington 1, Del., for applicants.

No. MC–FC 62885. By order of January 29, 1960, The Transfer Board approved the transfer to Container Transport, Inc., Philadelphia, Pa., of the operating rights of James A. Bowen, doing business as Container Transport, Philadelphia, Pa., in Permit No. MC 100152, issued November 12, 1959, authorizing the transportation, over irregular routes, knocked-down paper boxes, from Philadelphia, Pa., to Wilmington, Del., Baltimore, Md., Washington, D.C., and New York, N.Y., points in New York within 10 miles of New York, N.Y., and points in New Jersey, rejected shipments of knocked-down paper boxes, from the above-specified destination points to Philadelphia, Pa., and damaged shipments of knocked-down paper boxes, from New York, N.Y., points in New York within 10 miles of New York, N.Y., and points in New Jersey, to Philadelphia, Pa. Jacob Polin, P.O. Box 317, Bala-Cynwyd, Pa., for applicants.

No. MC–FC 62912. By order of January 29, 1960, The Transfer Board approved the transfer to Louis D. Long, Jr., doing business as Seaway Motor Service, 8544 S. Dante Avenue, Chicago 19, Ill., of the operating rights of Philpott Cartage Co., a Corporation, 135 West 114th Street, Chicago 28, Ill., in Certificate No. MC 66530, issued August 18, 1949 authorizing the transportation, over irregular routes, of general commodities, excluding household goods and commodities in bulk, between points in the Chicago, Ill., Commercial Zone.

[SEAL] HAROLD D. McCOY, *Secretary.*

[F.R. Doc. 60–1173; Filed, Feb. 4, 1960; 8:48 a.m.]

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